

Air Transport Licensing Authority

Procedural Guide for Applying for a Licence to Operate Scheduled Services Under the Air Transport (Licensing of Air Services) Regulations (Cap. 448A)

This Procedural Guide has been translated into Chinese. If there is any inconsistency or ambiguity between the English version and the Chinese version, the English version shall prevail.

Air Transport Licensing Authority

April 2013

Contents

1	This Document	1
2	Background	3
2.1	Commencement	3
2.2	Air Transport Licensing Authority and the Regulations	3
2.3	ATLA General Policy (Regulation 11)	4
2.4	Basis and Requirements for Granting Licences (Regulation 11)	4
2.5	Grant of Licences (Regulation 11A)	4
3	Guide for New Licence Applicants	6
3.1	New Licence Application (Regulations 6 and 11A)	6
3.2	Business Plan Contents (Regulation 6)	7
3.3	Responsibilities and Notification Requirements of New Licence Holders	9
3.4	Emergency Grant of Licence (Regulation 10)	10
3.5	Provisional Licences (Regulation 13)	10
4	Guide for Existing Licence Holders	12
4.1	Renewal Licence Application (Regulation 13A)	12
4.2	New Routes/ Licence Variations (Regulation 13B)	12
4.3	Existing Licence Holder Notification Requirements (Regulations 15A and 15B)	13
5	ATLA's Powers	15
5.1	ATLA's General Powers (Regulations 15D and 15E)	15
5.2	Revocation or Suspension of Licences (Regulations 16 and 15E)	16
A.	Regulation 16	16
B.	Regulation 15E	17
5.3	Temporary Licences (Regulation 15F)	17
6	Objections and Representations (Regulation 8)	19
6.1	Initiating an Objection / a Representation	19
6.2	Process for Dealing with Objections and Representations	19
7	Flowcharts for New Applicants and Existing Licence Holders	22
7.1	Flowchart for New Licence Applications	22
7.2	Flowchart for New Licence Holder (Initial Operation Period)	23
7.3	Flowchart for Annual Submission for Existing Licence holders	24

7.4	Flowchart for Licence Renewal/Variation of licences	25
8	Fees (Schedule)	26
9	Penalties	27
9.1	Restriction on Use of Aircraft on Scheduled Journeys (Regulation 3(2))	27
9.2	Offences Relating to Notifications (Regulations 15C and 15D)	27
10	Others.....	29
10.1	Confidentiality (Regulation 28)	29
10.2	Declaration of Interests	29
11	Appendices.....	30
	Appendix A. Checklists	30
	Appendix B. Forms / Notices	32
	Appendix C. Sample ATLA Memorandum	54
	Appendix D. Transitional Arrangements	57

1 This Document

1. The Procedural Guide:

- a. Outlines the requirements and provides the necessary documentation for new applicants and existing licence holders in applying for licences to operate scheduled services and performing their duties as licence holders as defined in the Air Transport (Licensing of Air Services) Regulations (Cap. 448 subsidiary legislation A) (“the Regulations”);
- b. Sets out the procedures adopted by the Air Transport Licensing Authority (“ATLA”) in processing various types of licence applications made by the applicants and discharging its duties under the Regulations;
- c. Should be read in conjunction with the Regulations; and
- d. Will not override the Regulations and in case of any disputes arising regarding the Procedural Guide, the Regulations will prevail.

2. This guide consists of 9 areas and Appendices:

Document Section	Section Name	Description	Reference in the Regulations
2	Background	Outlines the key changes in the Regulations and the basis and requirements for granting licences	Regs. 11 and 11A
3	Guide for New Licence Applicants	Details the requirements for new licence applications and notification requirements during the initial operation phase	Regs. 6, 7, 10, 11, 11A and 13
4	Guide for Existing Licence Holders	Details the requirements for existing licence holders including notification requirements, the licence renewal process as well as the process for applying for variations of a licence for new routes	Regs. 13A, 13B and 15A and 15B
5	ATLA’s Powers	Outlines ATLA’s powers and procedures with regards to requesting information and revoking / suspending licences or varying licence conditions etc.	Regs. 15D, 15E, 15F and 16

Document Section	Section Name	Description	Reference in the Regulations
6	Objections and Representations	Outlines procedures for objections / representations for applications for new licences, renewals and variations of licences	Regs. 8 and 9
7	Flowchart	Flowcharts showing the procedures for new licence applicants and existing licence holders	-
8	Fees	Sets out the schedule of fees for respective applications	Schedule and Reg. 31A
9	Penalties	Sets out the penalties in force for non-compliance	Reg. 3(2), 15C and 15D
10	Others	Outlines confidentiality and declaration of interests	Reg. 4 and 28
Appendices	-	Contains the checklist and forms required for application, sample notices and ATLA memorandum; and outlines the transitional arrangements to the Regulations	-

3. ATLA reserves the right to interpret the contents of this guide. It may, within the powers conferred by the Regulations, amend this Procedural Guide or decide on procedural matters not covered by this guide.
4. This Procedural Guide and any subsequent amendments thereto shall be made available to the public.

2 Background

2.1 Commencement

1. The amended Air Transport (Licensing of Air Services) Regulations (Cap. 448 sub. leg. A) (“the Regulations”) ¹ shall come into operation on 22 April 2013.
2. Any person using an aircraft registered in Hong Kong to operate scheduled air services between Hong Kong and any point in the world must hold a valid licence granted under the Regulations.
3. Among other considerations, licences are granted to applicants who can demonstrate to the satisfaction of the Air Transport Licensing Authority that they are financially viable in operating air services.

2.2 Air Transport Licensing Authority and the Regulations

1. The Air Transport Licensing Authority (“ATLA”) is responsible for granting licences to local airlines to operate scheduled air services between Hong Kong and any point in the world.
2. The Regulations move from a route-based approach to an airline-based approach and features the following key changes:
 - a. Updating ATLA’s general policy by removing the reference to the co-ordination of air services and avoidance of uneconomic overlapping,
 - b. Distinguishing between first time applications and renewal applications for licences,
 - c. Allowing an applicant to apply for a licence from ATLA and an Air Operator’s Certificate from the Civil Aviation Department in parallel,
 - d. Requiring a licence holder to notify ATLA of certain events having a bearing on the financial status of the holder,
 - e. Providing ATLA with the power to intervene when there are signs of any licence holder getting into financial difficulty; and
 - f. Revisions to fees and penalties.

¹ The Regulations were amended by the Air Transport (Licensing of Air Services) (Amendment) Regulation 2011.

2.3 2.3 ATLA General Policy (Regulation 11)

1. ATLA shall have regard to the development of air services with the object of providing effective service to the public and the interests of the public, including those of persons requiring or likely to require facilities for air transport as well as those persons providing those facilities.

2.4 Basis and Requirements for Granting Licences (Regulation 11)

1. Under the Regulations, an airline-based approach is adopted. Each airline only needs to obtain one licence specifying the routes to be operated. Airlines wishing to operate new routes have to apply for variations to the licence.
2. In accordance with Regulation 11, ATLA must have regard to, among other things, the following matters in considering and granting a licence to an applicant:
 - a. The extent to which it is probable that the applicant will be able to provide a satisfactory service in respect of continuity, regularity of operation, frequency, punctuality, reasonableness of charges and general efficiency,
 - b. The financial resources of the applicant,
 - c. The type of aircraft proposed to be used,
 - d. The remuneration and general conditions of employment of aircrew and other personnel employed by the applicant; and
 - e. Any representations and objections made under Regulation 8 or at any inquiry held under Regulation 9.
3. The licence is valid for a period not exceeding five years as determined by ATLA and will be subject to renewal upon application.

2.5 Grant of Licences (Regulation 11A)

1. ATLA may grant a licence to undertake scheduled journeys on any or all of the routes to which the application relates.
2. A licence will be granted under Paragraph 1 above only if ATLA is satisfied that:
 - a. The applicant holds an Air Operator's Certificate,

- b. The applicant is able to meet at any time its actual and potential obligations established under realistic assumptions during the initial operation phase (24 months beginning on the day on which the first scheduled journey is intended to be undertaken); and
 - c. The applicant is able to meet its fixed and operational costs incurred from the operation according to its business plan submitted under Regulation 6 and established under realistic assumptions for the first 3 months of the initial operation phase, without taking into account any income from the operation.
- 3. ATLA may specify in the licence the routes on which scheduled journeys may be undertaken.
 - 4. ATLA may attach any conditions to the licence fit to the circumstances.

3 Guide for New Licence Applicants

1. This section sets out the procedures adopted by ATLA in processing licence applications from Hong Kong-based airlines. It outlines the requirements for new licence applications and should be read in conjunction with the statutory requirements provided under the Regulations.

3.1 New Licence Application (Regulations 6 and 11A)

1. Pursuant to Regulation 6(2)(a), ATLA specifies the [Form A1](#) appended hereto to be the form in which any application under Regulation 6(2)(a) must be made. When applying for a new licence, the applicant² must submit the following:
 - a. A duly completed application form ([Form A1](#) in the Appendices). The application should specify, among other items, the routes on which the scheduled journeys are to be undertaken,
 - b. The prescribed fee as specified in Section 8,
 - c. A business plan covering the start-up phase (period beginning on the date of the submission and day immediately before the first day of initial operation), initial operation phase (first 24 months of operation) and the requested period for the licence (a licence granted under Regulation 11A is valid for a period not exceeding 5 years). See Section 3.2 for further information on the business plan contents; and
 - d. The most recent management accounts of these commercial activities (including a statement of financial position, a statement of comprehensive income and a statement of cash flows) and, if available, the latest audited financial statements.
2. Under Regulation 11A, an airline applying for a new licence must be able to satisfy ATLA that:
 - a. It can meet at any time its actual and potential obligations established under realistic assumptions, during the initial operation phase of a period of 24 months from the start of operations; and

² Referring to any person who does not hold a valid licence at the time of application, which also includes an airline who has had their licence revoked under the Regulations; and new airlines established by a current licence holder through a consortium or joint venture.

- b. It can meet its fixed and operational costs incurred from operations according to its business plan, established under realistic assumptions, for a period of 3 months from the start of operations, without taking into account any income from its operations.
3. ATLA may use the services of a consultant to assist in its review of the data if required.
4. ATLA may request additional information from the applicant in assessing the licence application. ATLA may refuse to proceed with the application if the information is not provided to its satisfaction.
5. Particulars of all licence applications and ATLA's decisions will be published in the Gazette both at the time of application and when a decision on the application has been made.

3.2 Business Plan Contents (Regulation 6)

1. The required information of a business plan mentioned in Paragraph 1(c) of Section 3.1 is set out in Regulation 6(3) to (7). Normally such document(s) should cover all the related details and information for the first 24 months of operation and the requested period for the licence (a licence granted under Regulation 11A is valid for a period not exceeding 5 years):
 - a. **Business Activities** – A detailed description of the applicant's proposed air services business for the intended licensing period, including for example:
 - i. Company information, covering background, key personnel and resources
 - ii. Description of proposed operations and service offerings, including details of routes and types of proposed aircraft
 - iii. Locations of services
 - iv. Current status/stage of company and market developments
 - b. **Business Strategy** – The proposed business strategy of the airline during the intended licensing period, for example:
 - i. Description of business model (e.g. low cost, full service, cargo) and the potential business opportunity
 - ii. High level pricing strategy
 - iii. Expected investment required and return projections at a high level

- c. **Other Financial Interests** – Details of any financial interests in other commercial activities in which the applicant is engaged either directly or through any related undertakings
- d. **Shareholding** – If the applicant is a body corporate, details of the shareholders, including type of shares held or to be held, any agreement(s) or arrangement(s) that shareholder(s) have entered into which may restrict the future transfer of shares (such as a share pledge agreement) or require future issue of shares (such as a share option agreement) and the articles of association of the applicant. If the applicant is part of a group of undertakings, information on the relationship between them
- e. **Aircraft Financing** – Details of the financing of aircraft purchase or leasing, including in the case of leasing, the terms and conditions of the leasing contract
- f. **Operational and Revenue Forecasts** – A projected statement of the flight operations alongside related revenue with a break down for each of the first 24 months of operation. As an example, this should include:
 - i. Block hours flown
 - ii. Fuel cost and burn rate
 - iii. Traffic volumes (passenger numbers, cargo tonnes, revenue passenger kilometres, revenue tonne kilometres)
 - iv. Production (available seat kilometres, available tonne kilometres)
 - v. Passenger load factor (passenger kilometres flown as a percentage of available seat kilometres)
 - vi. Yields (\$/revenue passenger kilometres)
- g. **Basis for Projections** – The basis for any projected expenditure and income figures, in particular, assumptions for fuel, fares and rates, salaries, maintenance, depreciation, exchange rate fluctuations, airport charges, air navigation charges, ground handling costs and insurance
- h. **Statement of Financial Position and Projections** – A projected statement of financial position for the first 24 months of operation, including:
 - i. Projected income as well as the implications of activities, development and investments on the applicant's financial position

- ii. Details of costs incurred during the start-up phase and an explanation of how these costs will be financed
- iii. Details of existing and projected sources of finance and supporting documentation
- i. **Cash Flow Forecast** – A cash flow forecast broken down monthly for each of the first 24 months of operation
- j. **Risk Analysis** – An analysis of the impact of possible major changes to key business assumptions, e.g. significant movement of fuel/oil prices, exchange rates, interest rates or underlying business growth rates.

3.3 Responsibilities and Notification Requirements of New Licence Holders

1. New licence holders must make regular submissions to ATLA in their initial operation phase (the first 24 months of operation which can be extended at ATLA's discretion). This is for ATLA to assess the financial capability of new licence holders in operating air services. Forms for submission of the data are contained in the Appendices. ([Forms C1](#) and [C2](#)).
2. The submissions are to include:
 - a. Monthly, a submission of the key operational parameters including:
 - i. Block hours flown
 - ii. Fuel cost and burn rate
 - iii. Traffic volumes (passenger numbers, cargo tonnes, revenue passenger kilometres, revenue tonne kilometres)
 - iv. Production (available seat kilometres, available tonne kilometres)
 - v. Passenger load factor (passenger kilometres flown as a percentage of available seat kilometres)
 - vi. Yields (\$/revenue passenger kilometres)
 - b. Monthly, a submission of the management accounts and the key assets / liabilities / operating figures and financial ratios.
 - c. Annually, audited financial statements within 6 months after the end of the financial year accompanied with the annual submission form (See [Form C3](#) in the Appendices).

3.4 Emergency Grant of Licence (Regulation 10)

1. If an application has been made for a licence valid for a period not exceeding 30 days for operating scheduled air services and if ATLA is satisfied that it is in the public interest to expedite the application, it may do so and grant the licence upon submission of a duly completed application form ([Form A1](#) in the Appendices) and payment of a prescribed fee.
2. In this case, the submission of business plans and financial statements are not required. Additionally, objections/representations do not apply to emergency applications.
3. ATLA's decision on the application will be published in the Gazette.

3.5 Provisional Licences (Regulation 13)

1. ATLA may, if it thinks fit, grant a provisional licence to allow the applicant to operate scheduled services pending the determination of an application for a licence.
2. Pursuant to Regulation 13(9)(b), ATLA specifies the [Form A2](#) appended hereto to be the form in which any application under Regulation 13(9)(b) must be made. A duly completed application form ([Form A2](#) in the Appendices) must be submitted with the prescribed fee for an application for the grant of or renewal application for a provisional licence.
3. The provisional licence is valid for a period up to 6 months as determined by ATLA and can be renewed once. In the case of a renewal, the application must be made before the expiry of the provisional licence.
4. If an application for a renewal of the provisional licence is pending, the provisional licence continues to be in force until ATLA has made a decision on the application. A renewed provisional licence is valid for a period up to 6 months.
5. If during the validity period of a provisional licence:
 - a. The licence concerned is granted under Regulation 11A, the provisional licence expires on the day immediately before the day on which the licence concerned comes into effect.
 - b. A licence application under Regulation 6 is refused, the provisional licence expires on a date decided by ATLA, which must not be earlier than the day on which ATLA gives a written notice in respect of the refusal.

- c. The applicant decides to withdraw the application, the provisional licence expires on the day when notice is given by ATLA.
- 6. ATLA's decision on the application will be published in the Gazette.

4 Guide for Existing Licence Holders

4.1 Renewal Licence Application (Regulation 13A)

1. The holder of a licence may apply for the renewal of the licence which may include a request for the variation of the routes on which scheduled journeys may be undertaken. However, ATLA may renew the licence with or without any variation of routes.
2. Holders of licences due to expire may apply for renewal within 1 year and not later than 3 months prior to the expiry date of the current licence, to allow sufficient time for ATLA to process the application.
3. To renew a licence upon expiry, the licence holder must satisfy ATLA that it can meet its actual and potential obligations for a period of 12 months beginning on the renewal date.
4. Pursuant to Regulation 13A(2)(b), ATLA specifies the [Form A3](#) appended hereto to be the form in which any application under Regulation 13A(2)(b) must be made. A duly completed application form ([Form A3](#) in the Appendices) must be submitted with the prescribed fee for an application for renewal of an existing licence.
5. ATLA may request additional information from the licence holder in assessing the licence renewal.
6. Particulars of all renewal licence applications and ATLA's decisions will be published in the Gazette both at the time of application and when a decision on the application has been made.

4.2 New Routes/ Licence Variations (Regulation 13B)

1. The holder of a licence may apply for the variation of the licence in order to carry passengers, mail or cargo for hire or reward on scheduled journeys not specified in the licence (new scheduled journey).
2. The licence issued by ATLA specifies the routes to be operated. If a licence holder wishes to amend the list of routes it may do so by application to ATLA.
3. It should be noted that there would be no change to the validity period of the current licence if the variation is granted.

4. The licence holder must provide relevant information to satisfy ATLA that it can meet its actual and potential obligations for a period of 12 months beginning on the date when the first new scheduled journey to which the application relates is intended to be undertaken. The information required would vary on a case-by-case basis. For example, the information relevant to a licence variation requesting the addition of multiple routes/scheduled journeys to a country not previously served normally includes a business plan with operational and financial projections for the new route(s).
5. Pursuant to Regulation 13B(2)(a), ATLA specifies the [Form A4](#) appended hereto to be the form in which any application under Regulation 13B(2)(a) must be made. A duly completed application form ([Form A4](#) in the Appendices) must be submitted with the prescribed fee for an application for variation of licence.
6. ATLA may request additional information from the licence holder in assessing the licence variation.
7. Particulars of all applications for variations of licences and ATLA's decisions will be published in the Gazette both at the time of application and when a decision on the application has been made.

4.3 Existing Licence Holder Notification Requirements (Regulations 15A and 15B)

1. An existing licence holder which is a body corporate ("corporate licensees") is required to submit annually audited financial statements within 6 months after the end of the financial year, accompanied with the annual submission form ([Form C3](#) in the Appendices) setting out the assets / liabilities / operating figures and financial ratios.
2. In addition, the corporate licensee must notify ATLA within 14 days if there is:
 - a. Any change in the ownership of any single shareholding which represents 10% or more of the total shareholding of the corporate licensee or a holding company of the corporate licensee,
 - b. Any change in the entitlement to exercise or control the exercise of voting rights of any person who either alone or with any associated person which represents 10% or more of the voting rights at the general meetings of the corporate licensee or a holding company of the corporate licensee; and
 - c. Any change in the control of the corporate licensee.

3. If a person who has control of the corporate licensee has entered into any share pledge agreement or similar arrangement which, as a consequence of an event of default or occurrence of certain circumstances as set out in the agreement or arrangement and could lead to any change referred to in Paragraph 2 above, must notify ATLA within 14 days after doing so.
4. ATLA must be notified in the first instance if the licence holder:
 - a. Foresees or encounters situations resulting in financial difficulties that would cause a material adverse effect on the operation of air services, i.e. when it is likely to become unable to meet its obligations (See sample events outlined in Paragraph 2 of Section 5.1).
 - b. Intends to cease or ceases to operate air services.

5 ATLA's Powers

5.1 ATLA's General Powers (Regulations 15D and 15E)

1. ATLA may:
 - a. At any time require a licence holder to provide relevant information for assessment of its financial position when ATLA has a reason to believe that its ability to meet its potential and actual obligations may be impacted (Please see Paragraph 2 for a list of example triggering events);
 - b. Suspend or revoke a licence, attach any new licence conditions, or vary any existing licence conditions if ATLA is no longer satisfied that the licence holder can meet its actual and potential obligations for a 12-month period, insolvency or similar procedures are commenced against the licence holder; or the licence holder is wound up voluntarily; and
 - c. Upon revocation of a licence, grant a temporary licence, not exceeding 12 months, pending financial reorganisation of the licence holder, provided that there is a realistic prospect of a satisfactory financially sustainable operation within the validity period of the licence.
2. Below is an example list of some possible triggering events and circumstances for which ATLA may request specific information and details from a licence holder:
 - a. **Changes to key personnel** who have influence on the general actions and policies of the airline, particularly if the change is sudden and without replacement. Examples include: The President, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Vice President(s), General Manager(s) of Flying, Training and Ground Operations, Director(s) of Flight Operations, Ground Operations, Engineering and Corporate Safety, as well as the Chairman and members of the Board or other key officials/executives who may not be involved with the day-to-day operation of the company but who are primary stockholders and/or whose influence on the actions or policies of the airline is, or potentially could be, substantial.
 - b. **Major changes to key input and operational costs** which amount to more than 25% since the previous report to ATLA. Examples include: En route and airport charges, flight crew costs, foreign taxation and environmental charges.

- c. **Acquisition or disposal of significant capital assets** which are crucial to the airlines operation. For example: Aircraft as well as aircraft related equipment, facilities and subsidiary businesses.
 - d. **Changes in financing arrangements** amounting to more than 25% of existing arrangements. Examples include: New loans, issuing of new shares and taking out of new lines of credit of an equivalent amount.
 - e. **Changes to credit arrangements with major suppliers** moving from credit to cash or vice versa. Examples include: Fuel companies, airports and handling companies, aircraft leasing companies, air traffic control etc.
 - f. **Outstanding or anticipated debts to major suppliers** which are/will be in arrears of normally agreed payment deadlines.
 - g. **External events which may significantly disrupt the airlines normal operations and revenue stream.** Examples include: Operational disruption caused by weather or volcanic eruptions, industrial action at infrastructure providers which result in temporary disruptions or suspension of services.
 - h. **Other events or circumstances that have significant bearing on the financial performance and/or conditions of the business.** Examples include: Demand for repayment of outstanding amounts by a court order, complaints to ATLA regarding the airline, media reports any of which may reflect possible significant impact upon the airline's revenues or costs.
3. When considered necessary, ATLA may request periodic submissions to assist in the assessment of a licence holder's financial position and ability to meet its actual and potential obligations. Examples of information that may be required are set out in Paragraph 2 of Section 3.3.

5.2 Revocation or Suspension of Licences (Regulations 16 and 15E)

A. Regulation 16

1. ATLA may revoke or suspend a licence if:
 - a. The holder of the licence has failed to comply with any condition subject to which the licence was granted; or
 - b. The holder of the licence (or if the licence holder is a body corporate, any officer of the body corporate) has been convicted of an offence against Regulation 3.

2. Before revoking or suspending any licence under Paragraph 1(a), ATLA must give the holder of the licence a written notice specifying the ground on which the licence is proposed to be revoked or suspended.
3. Within 7 days after receiving a notice, the holder of the licence may, in writing, request ATLA to hold an inquiry in public for the purpose of determining whether the licence is to be revoked or suspended.
4. If ATLA receives a request for inquiry, the licence must not be revoked or suspended until the inquiry is completed.
5. ATLA may revoke or suspend a licence under Paragraph 1(a) only if it considers that, owing to the frequency of the failure on the part of the licence holder to comply with any condition of the licence or to the failure having been wilful, the licence should be revoked or suspended.

B. Regulation 15E

1. ATLA may take action to revoke, suspend, attach new or vary existing conditions to a licence if:
 - a. Under Regulation 15D, if ATLA is no longer satisfied that the holder is able to meet its actual and potential obligations for a period of 12 months beginning on the date of the assessment,
 - b. Insolvency or similar proceedings are commenced against the holder; or
 - c. The holder is wound up voluntarily.

5.3 Temporary Licences (Regulation 15F)

1. If ATLA decides to revoke a licence under Regulation 15E, the holder of the licence may apply for a temporary licence within 1 month of the revocation.
2. ATLA may grant a temporary licence valid for up to 12 months, if it is satisfied that there is a realistic prospect that there will be adequate financial resources to sustain operations in the validity period of the temporary licence. ATLA may attach any conditions that it sees fit to the temporary licence (e.g. conditions or limits on sales, carriage, aircraft operations, or routes).
3. The temporary licence may be revoked at any time if ATLA is no longer satisfied that there is a realistic prospect of a satisfactory financial reconstruction being undertaken by the licence holder within the validity period of the temporary licence.

4. In relation to Paragraphs 2 and 3 above, a temporary licence holder will be required to submit relevant operational and financial information (See details in Section 3.3) to ATLA on a regular basis and at ATLA's discretion during the validity period of the licence.
5. Pursuant to Regulation 15F(2)(b), ATLA specifies the [Form A5](#) appended hereto to be the form in which any application under Regulation 15F(2)(b) must be made. A duly completed application form ([Form A5](#) in the Appendices) must be submitted with the prescribed fee for an application for a temporary licence.
6. ATLA's decisions on granting and revocation of a temporary licence will be published in the Gazette.

6 Objections and Representations (Regulation 8)

6.1 Initiating an Objection / a Representation

1. Responsible persons or bodies who may be reasonably considered by the Chief Executive to have an interest, private or public, in any application published under Regulation 7 may make representations or objections with regard to the application within 14 days of the first publication of the application.
2. A public or private inquiry may be held subject to the request of the interested person or body.
3. Pursuant to Regulation 8(2)(a), ATLA specifies the [Form B1](#) appended hereto to be the form in which any objection or representation under Regulation 8(2)(a) must be made. The form for making an objection/a representation ([Form B1](#) in the Appendices) should be completed and sent to ATLA for review along with any evidence supporting the objection/representation.

6.2 Process for Dealing with Objections and Representations

1. Objections or representations to the Chief Executive can be made against applications for new licences, licence renewals or variations of licences.
2. For objections or representations that where the Chief Executive considers that a private or public interest is involved, process is as follows:
 - a. ATLA shall hold an inquiry to consider the application.
 - b. Unless the applicant or the objector requests a public inquiry, ATLA shall have the discretion to decide whether the inquiry shall be held in public or in private. An inquiry would normally be held in public unless ATLA is satisfied that there are sufficient grounds for it to be held in private.
 - c. The inquiry shall be held in such manner as may be determined by ATLA.
 - d. Every question shall be determined by simple majority of the members sitting on the inquiry (including the Chairman). Questions of law shall be determined by the Chairman.
 - e. Each party to the inquiry may be represented by a properly authorised agent.
 - f. Information and documents must be exchanged between ATLA, the applicant and the objector. Details and the required timeframes are as follows:

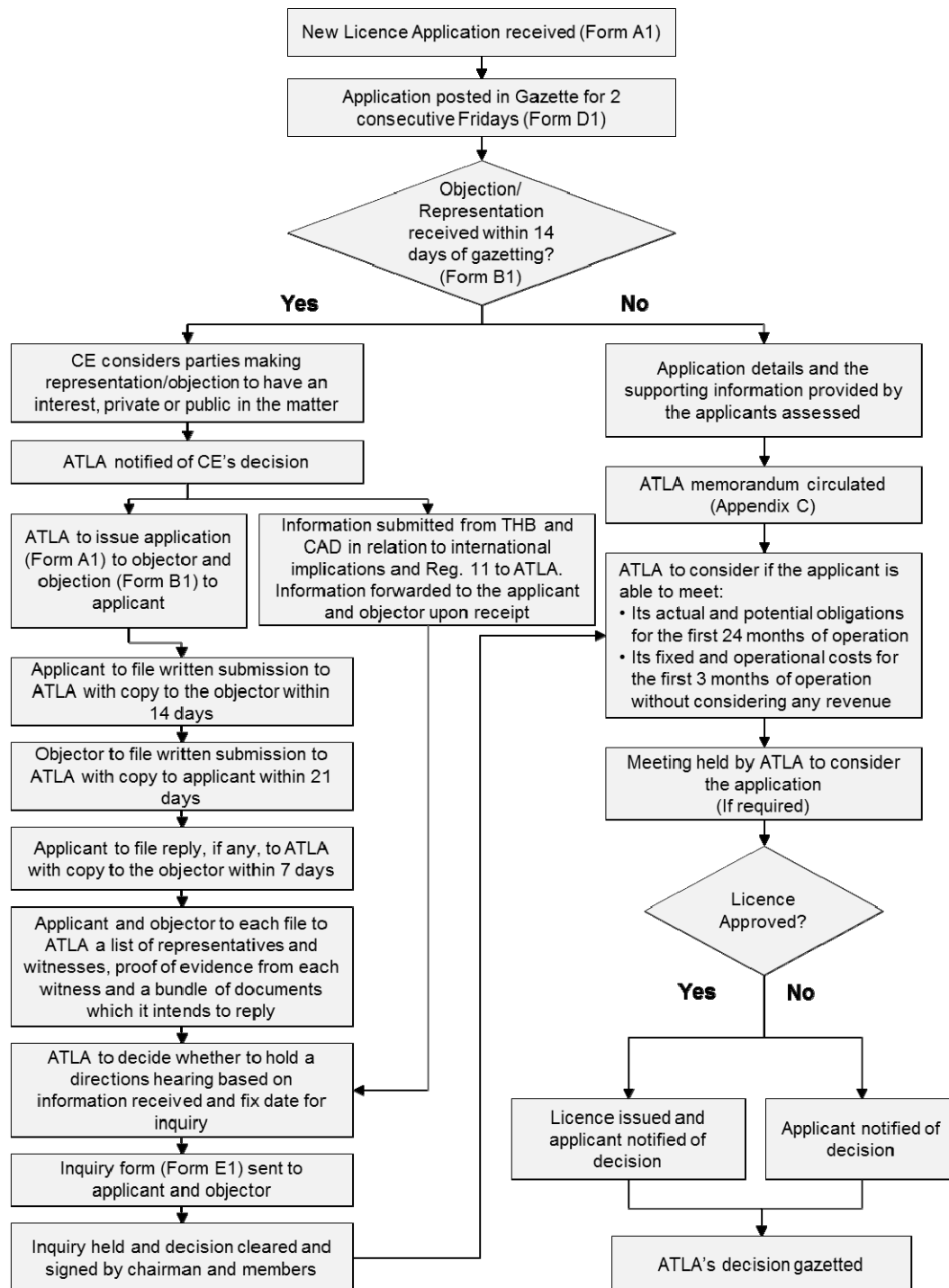
- i. ATLA shall copy the applicant's application ([Form A1](#), [A3](#) or [A4](#)) to the objector and the objector's objection/representation form ([Form B1](#)) to the applicant.
- ii. The applicant shall file with ATLA, with copy to the objector, written submission (including information relating to Regulation 11) within 14 days from the receipt of the objector's form.
- iii. The objector shall file with ATLA, with copy to the applicant, written submission within 21 days from the receipt of the applicant's written submission filed under (ii) above.
- iv. The applicant shall file with ATLA, with copy to the objector, a reply, if any, within 7 days from the receipt of the objector's written submission filed under (iii) above.
- v. Within 14 days from the objector's receipt of the applicant's reply, the applicant and the objector shall each submit a list of representatives, a list of witnesses together with a proof of the evidence from each witness and a bundle of all documents, properly indexed, which it intends to use at the inquiry. The applicant and the objector shall include in such submission the issues which they would like ATLA to consider, proposals on how those issues should be resolved, and the time they would require for each of their witnesses and their oral representations, if any.
- vi. The Transport and Housing Bureau shall supply information relating to any international implications and the Director-General of Civil Aviation shall supply information relating to Regulation 11 under his purview within 21 days from the notification of ATLA of the Chief Executive's decision under Regulation 8. ATLA shall forward such documents to the applicant and the objector upon receipt.
- vii. Extension of time for filing submissions under (ii) to (vi) above may be permitted at the discretion of ATLA under exceptional circumstances.
- viii. Subsequent written submissions in the course of the inquiry may be permitted at the discretion of ATLA.
- ix. All the above information should be submitted to ATLA in the number of copies as specified by ATLA.
- x. Having regard to the submissions made by the applicant and the objector, ATLA shall decide:

- Whether it is necessary to hold a directions hearing before the inquiry to discuss with the applicant and the objector(s) the arrangements regarding the inquiry;
 - What directions, if any, to be given with respect to the inquiry.
- xi. ATLA shall fix a time for the inquiry.
- g. If, on the date of inquiry, any party fails to appear in person or represented by his authorised agent, ATLA may, if satisfied that such party has been notified of the inquiry:
- i. Adjourn the hearing as it sees fit;
 - ii. Proceed to conduct the inquiry in the absence of that party; or
 - iii. Approve or disapprove the licence application as it deems fit.
- h. During a public inquiry, ATLA may order a session to be held in private if it considers appropriate. Save with the consent of ATLA, information revealed during a private session shall not be disclosed to any person.
- i. ATLA may adjourn a hearing from time to time and from one place to another.
- j. Upon completion of the inquiry, a written decision will be issued to the applicant and the objector. If the inquiry is held in public, the written decision will be made available to the public. If the inquiry is held in private, ATLA will decide whether to make the written decision available to the public after considering representations from the parties.
- k. Any party to the proceedings, but no other person or body, shall be entitled to inspect the transcript of the proceedings or acquire a copy at their own cost.
- l. An applicant or an objector may withdraw in writing an application or an objection before ATLA makes a decision. All members will be notified of such withdrawal in writing.
- m. If all objections are withdrawn:
- i. ATLA shall proceed to consider the application as an uncontested case if the withdrawal is made before the commencement of an inquiry; or
 - ii. If the withdrawal takes place in the course of an inquiry, the members sitting on the inquiry shall decide whether the application should be granted.

7 Flowcharts for New Applicants and Existing Licence Holders

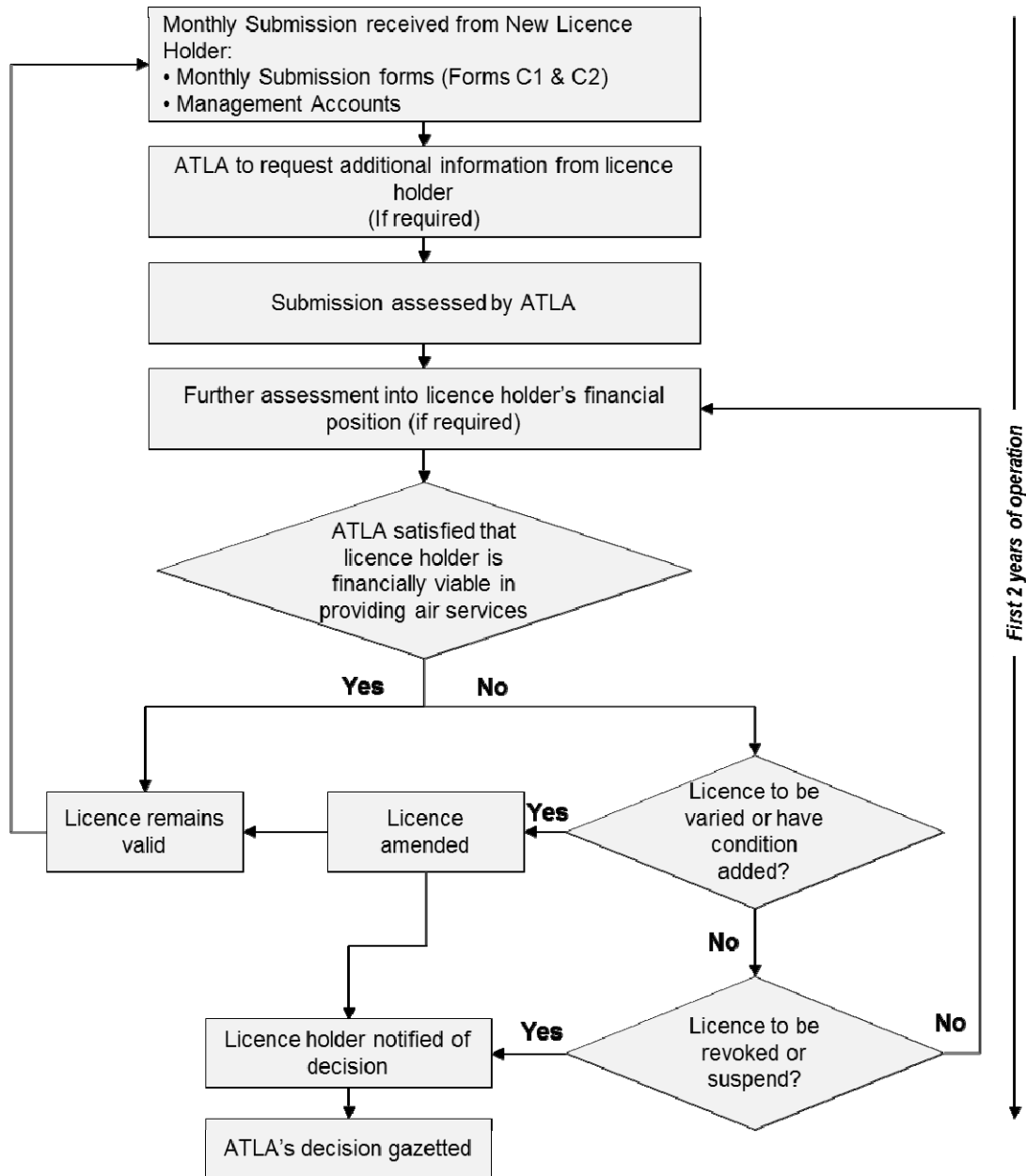
7.1 Flowchart for New Licence Applications

The diagram below outlines the flow of activities in relation to a new licence application. Normally it takes around 16 to 20 weeks to process an application, assuming that the applicant has provided all necessary information to ATLA's satisfaction and there are no objections/representations.



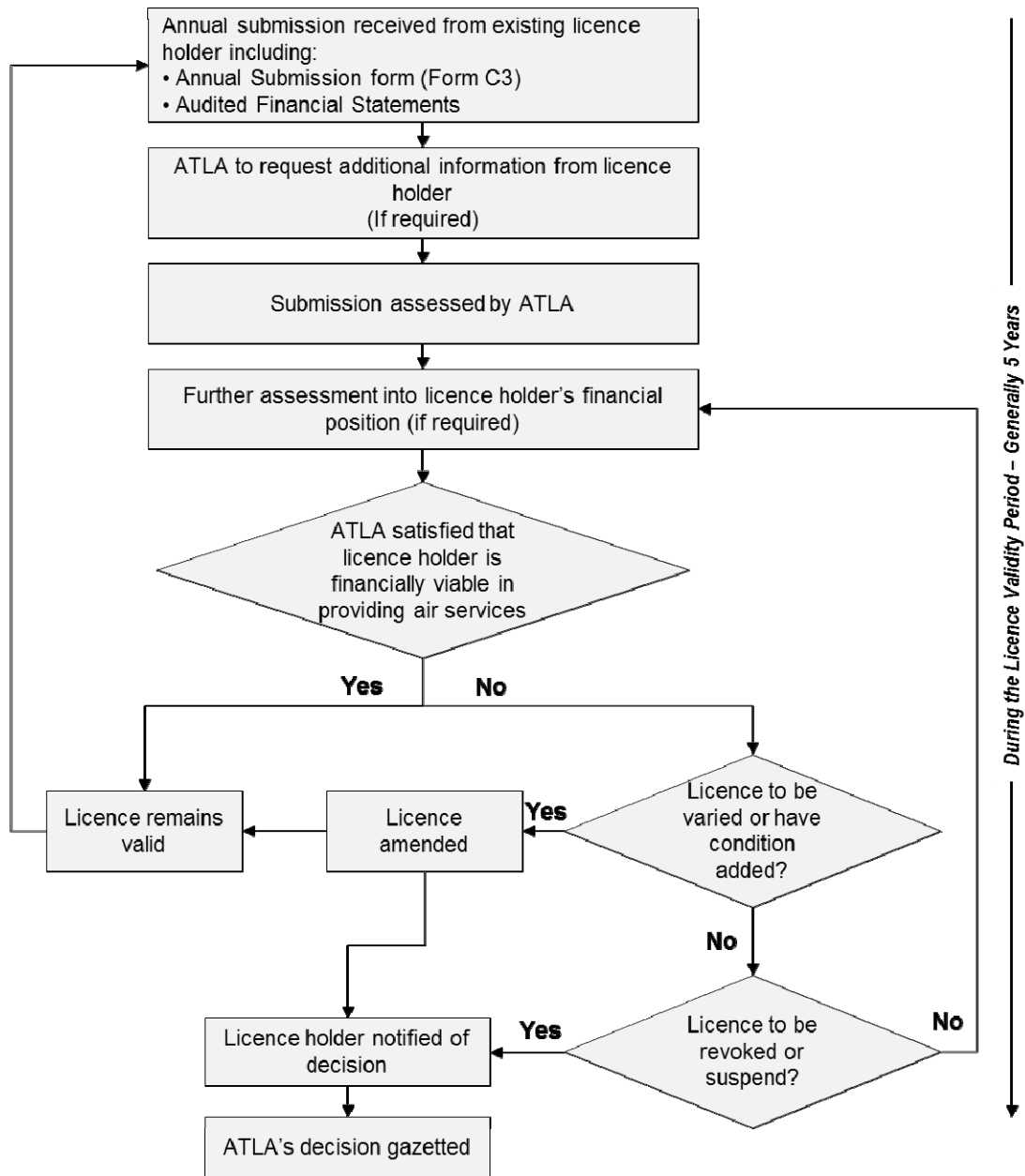
7.2 Flowchart for New Licence Holder (Initial Operation Period)

The diagram below outlines the procedures and notification requirements for new licence holders (in the initial operation period).



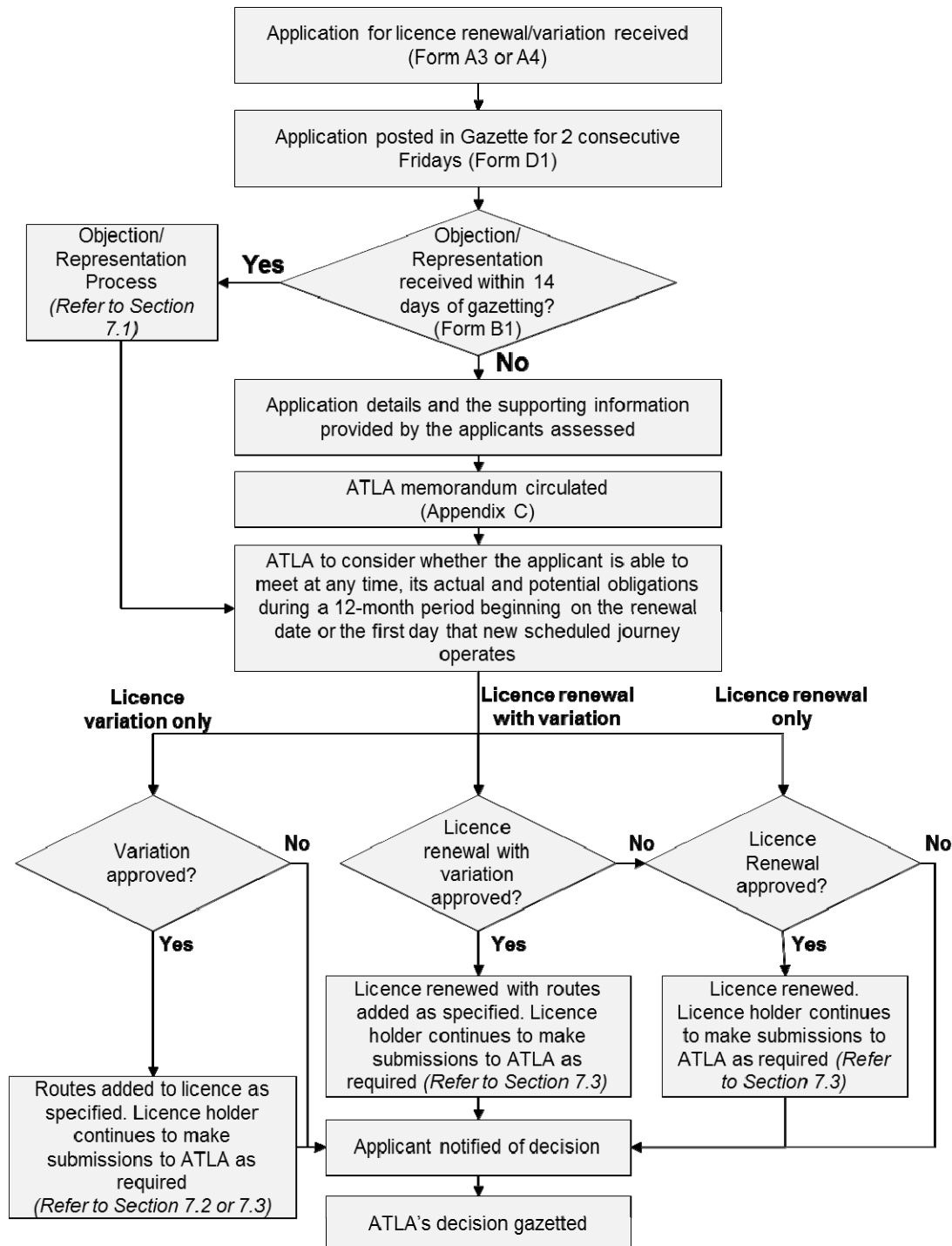
7.3 Flowchart for Annual Submission for Existing Licence holders

The diagram below outlines the annual submission and notification requirements for existing licence holders.



7.4 Flowchart for Licence Renewal/Variation of licences

The diagram below outlines the procedures for a licence renewal or variation of licence.



8 Fees (Schedule)

1. The schedule of fees and payments is set out below:

a. Application for a new licence (other than application for emergency grant of a licence)	HK \$230,500
b. Application for renewal of a licence	HK \$193,700
c. Application for variation of a licence	HK \$109,100
d. Application for a temporary licence	HK \$72,200
e. Application for a provisional licence	HK \$31,200
f. Application for emergency grant of licence	HK \$91,800

2. Payments should be made upon submission of an application.
3. If ATLA does not approve a new licence application, renew a licence or if the applicant withdraws a new or renewal application, an amount of HK\$96,000 is to be refunded to the applicant or licence holder.

9 Penalties

9.1 Restriction on Use of Aircraft on Scheduled Journeys (Regulation 3(2))

1. A person who uses any aircraft in contravention of the requirements outlined in Regulation 3(1) commits an offence and is liable:
 - a. On summary conviction, to a fine at level 6 and imprisonment for 3 months; or
 - b. On conviction on indictment, to a fine of HK\$5,000,000 and imprisonment for 2 years.

9.2 Offences Relating to Notifications (Regulations 15C and 15D)

1. A licence holder who does not comply with the notification requirements outlined in Paragraphs 1 and 2 of Section 4.3 (Regulation 15A(2) or (3) or 15B(1) or (2)), commits an offence and is liable:
 - a. On summary conviction, to a fine at level 6 and imprisonment for 3 months; or
 - b. On conviction on indictment, to a fine of HK\$5,000,000 and imprisonment for 2 years.
2. A person who does not comply with the notification requirements outlined in Paragraph 3 of Section 4.3 (Regulation 15A(4)) commits an offence and is liable:
 - a. On summary conviction, to a fine at level 6 and imprisonment for 3 months; or
 - b. On conviction on indictment, to a fine of HK\$1,000,000 and imprisonment for 1 year.
3. A person who, in purported compliance with the notification requirements outlined in Section 4.3 (Regulation 15A (2), (3) or (4), or 15B (1) or (2)), or with a request made under ATLA's powers to require information in Section 5 (Regulation 15D (1)) knowingly or recklessly provides ATLA with any information that is false or misleading in a material particular commits an offence and is liable:

- a. On summary conviction, to a fine at level 6 and imprisonment for 3 months; or
- b. On conviction on indictment, to a fine of HK\$1,000,000 and imprisonment for 1 year.

10 Others

10.1 Confidentiality (Regulation 28)

1. Disclosure is not required by an applicant for, or the holder of, a licence, temporary licence, operating permit or permit to any person other than ATLA or the Director-General of Civil Aviation (“DGCA”) of information as to the financial resources of the applicant or the holder.
2. ATLA or the DGCA must treat any information received from an applicant or a licence holder in strict confidence; however, the Regulations do not prohibit the disclosure of the information:
 - a. To a person appointed under Regulation 4(6)(b) to assist ATLA in discharging the duties of ATLA; and
 - b. For the purpose of discharging those duties.

10.2 Declaration of Interests

1. ATLA members, before considering an application under the Regulations, must each declare whether he/she has any, and if so what, financial interest in relation to the application under consideration. The Chairman of ATLA shall decide whether the member disclosing an interest should:
 - a. Be involved in or withdraw from the discussion; and
 - b. Vote on the application.

11 Appendices

Appendix A. Checklists

The following table outlines the requirements and forms for licence applications as well as the notifications for new and existing licence holders

Checklist for licence applications

New application

Items to be submitted to ATLA	Form Ref.
Completed Licence Application Form	Form A1
Business plan (Please see Section 3.2 for business plan contents)	-
The most recent management accounts and if available the latest audited financial statements	-
Prescribed fee	-

Renewal of an existing licence

Items to be submitted to ATLA	Form Ref.
Completed Application Form for Renewal of an Existing Licence	Form A3
Prescribed fee	-

Variation of an existing licence

Items to be submitted to ATLA	Form Ref.
Completed Application Form for Variation of Licences	Form A4
Business plan for the proposed new routes (Please see Section 3.2 for business plan contents)	-
Prescribed fee	-

Checklist for notifications for new and existing licence holders

New Licence holders in the initial operation phase (first 24 months from the start of operation)

Requirement	Form Ref.	Frequency/Timing
New Licence Holder Monthly Operational Submission	Form C1	Monthly for the first 24 months (can be extended at ATLA's discretion)
New Licence Holder Monthly Financial Submission	Form C2	Monthly for the first 24 months (can be extended at ATLA's discretion)

Existing Licence holders

Requirement	Form Ref.	Frequency/Timing
Annual Submission and Audited Financial Statements	Form C3	Annually (within 6 months after end of the financial year)
Change in Shareholding or Control Notification	Form C4	Within 14 days after the changes
Notification of financial difficulties that would cause a material adverse effect on the operation of air services being provided	-	Once financial difficulties arise
Notification of cessation of air services	-	Once intention to cease air services arises

Appendix B. Forms / Notices

A: Forms for Applying for Respective Types of Licences		Page
Form A1	Application for the grant of a new licence– Regulation 6(2) / Application for an emergency grant of licence – Regulation 10	33
Form A2	Application for the Grant of / Renewal Application for a provisional licence – Regulation 13(9)	35
Form A3	Application for renewal of an existing licence – Regulation 13A(2)	36
Form A4	Application for variation of licence – Regulation 13B(2)	38
Form A5	Application for a temporary licence – Regulation 15F(2)	40

B: Form for Representation / Objections		Page
Form B1	Representations / Objections – Regulation 8(2)	41

C: Forms for Existing Licence Holders for Compliance with the Notification Requirements		Page
Form C1	Monthly operational submission form for a new licence holder in the initial operating period	42
Form C2	Monthly financial submission form for a new licence holder in the initial operating period	44
Form C3	Annual submission form for an existing licence holder	46
Form C4	Change in shareholding/control or share pledge notification form	48

D: Sample Gazette Notices		Page
Form D1	Publication of applications – Regulation 7	50
Form D2	Publication of ATLA's decisions – Regulation 15(1)	51

E: Sample Notice		Page
Form E1	Notification of inquiry under objections/representations – Regulation 9	52

Form A1	Application for the grant of a new licence– Regulation 6(2) / Application for an emergency grant of licence – Regulation 10
Purpose	This form is to be used when applying for a new licence / emergency grant of a licence under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

Application for a Licence to Operate Scheduled Services

Applicant (Full name) If a body corporate, company name and business name if any	
Nationality of applicant(s) If a body corporate, place of incorporation	
Address of registered office in Hong Kong	
Particulars of routes intended to operate (1) Point of departure (2) Intermediate landing points (3) Point(s) of final destination	(1) (2) (3)
Type and requested period for the Licence (Select appropriate)	<input type="checkbox"/> Licence not exceeding 5 years ____ Year(s) <input type="checkbox"/> Emergency Licence not exceeding 30 days ____ Days
Country or place in which aircraft are registered	
Type of aircraft to be used and the passenger seating accommodation	

ANNEXURES (please attach separately):

- A. Total number of aircraft belonging to the applicant (individual types and seating capacity)
- B. Total aircrew personnel on pay-roll, their remunerations and general conditions of employment (e.g. pilots, co-pilots, navigators, radio operators, etc.)
- C. Details of the insurance of the aircraft for the proposed route(s)

I hereby give notice that I desire the Licensing Authority to conduct an Inquiry (#in Public / in Private) to consider this application.

I/We understand that the Licensing Authority may require me/us to provide any additional information that the Licensing Authority considers necessary for determining this application; and the Licensing Authority may refuse to proceed with this application if the information is not provided to its satisfaction.

Please delete as appropriate.

Signed	.....	Tel No	.....
Name	.....	Fax No	.....
Title	.....	E-mail	.....
		Date	.....

Form A2	Application for the Grant of / Renewal Application for a provisional licence – Regulation 13(9)
Purpose	This form is to be used when applying for or renewing a provisional licence under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

Application for the Grant of / Renewal Application for a Provisional Licence

Applicant (Full name)	
Application Reference Number	
Requested Period for the Provisional Licence	___ Month(s)
Reason for requiring a provisional licence <i>(Please provide additional supporting information, if any)</i>	
For Renewal only	
Current Provisional Licence No.	
Validity of Current Provisional Licence	From: To:
Requested Period for the Provisional Licence	___ Month(s)

I/We understand that the Licensing Authority may require me/us to provide any additional information that the Licensing Authority considers necessary for determining this application.

Signed	Tel No
Name	Fax No
Title	E-mail
	Date

Form A3	Application for renewal of an existing licence – Regulation 13A(2)
Purpose	This form is to be used when applying for a licence renewal under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

Application for Renewal of an Existing Licence

Applicant (Full name)	
Current Licence No.	
Validity of Current Licence	From: To:
Requested Period for the Licence	___ Year(s)

- I/We intend to apply for variations of the Current Licence in the same application. Details of the proposed variations are as follows:

Description of licence variation	
Particulars of additional routes desired to operate	(1)
(1) Point of departure	(2)
(2) Intermediate landing points	(3)
(3) Point(s) of final destination	
<i>(Please provide additional supporting information, if any)</i>	
Type of aircraft to be used and the passenger seating accommodation	

ANNEXURES (please attach separately):

- A. Total number of aircraft belonging to the applicant (individual types and seating capacity)
- B. Total aircrew personnel on pay-roll, their remunerations and general conditions of employment (e.g. pilots, co-pilots, navigators, radio operators, etc.)
- C. Details of the insurance of the aircraft for the proposed route(s)

I hereby give notice that I desire the Licensing Authority to conduct an inquiry (#in Public / in Private) to consider this application.

I/We understand that the Licensing Authority may require me/us to provide any additional information that the Licensing Authority considers necessary for determining this application.

Please delete as appropriate.

Signed	Tel No
.....
Name	Fax No
.....
Title	E-mail
.....
	Date

Form A4	Application for variation of licence – Regulation 13B(2)
Purpose	This form is to be used when applying for variations of an existing licence under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

Application for Variation of Licence

Applicant (Full name)	
Current Licence No.	
Description of licence variation	
Particulars of additional routes desired to operate	(1)
(1) Point of departure	(2)
(2) Intermediate landing points	(3)
(3) Point(s) of final destination	
<i>(Please provide additional supporting information, if any)</i>	
Type of aircraft to be used and the passenger seating accommodation	
ANNEXURES (please attach separately): <ul style="list-style-type: none"> A. Total number of aircraft belonging to the applicant (individual types and seating capacity) B. Total aircrew personnel on pay-roll, their remunerations and general conditions of employment (e.g. pilots, co-pilots, navigators, radio operators, etc.) C. Details of the insurance of the aircraft for the proposed route(s) 	

I hereby give notice that I desire the Licensing Authority to conduct an Inquiry (#in Public / in Private) to consider this application.

I/We understand that the Licensing Authority may require me/us to provide any additional information that the Licensing Authority considers necessary for determining this application.

Please delete as appropriate.

Signed

.....

Name

.....

Title

.....

Tel No

.....

Fax No

.....

E-mail

.....

Date

.....

Form A5	Application for a temporary licence – Regulation 15F(2)
Purpose	This form is to be used when applying for a temporary licence under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

Application for a Temporary Licence

Applicant (Full name)	
Current Licence No.	
Validity of Current Licence	From: To:
Reasons for which a temporary licence should be granted <i>(Please provide any additional supporting information)</i>	

I/We understand that the Licensing Authority may require me/us to provide any additional information that the Licensing Authority considers necessary for determining this application.

Signed	Tel No
Name	Fax No
Title	E-mail
	Date

Form B1	Representations / Objections – Regulation 8(2)
Purpose	This form is to be used for representations or objections regarding proposed scheduled air services under the Air Transport (Licensing of Air Services) Regulations

Hong Kong

To The Secretary/Chairman, Licensing Authority

Representations or Objections Regarding Proposed Scheduled Air Service(s)

With regard to the notice dated DD MMM YYYY published under Regulation 7 regarding the undermentioned application to operate Scheduled Air Service(s) and in accordance with Regulations 7 and 8 of the Air Transport (Licensing of Air Services) Regulations-

I submit representations/objections relating thereto: *and I hereby give notice (in accordance with Regulation 9) that I require the Licensing Authority to hold a public inquiry before the said application shall be determined.

1. The application referred to is that from –
Applicant:

2. Particulars of the application are as follows –

3. Representations/Objections are as follows –

**Delete all words if a public inquiry is NOT desired.*

Signed	Tel No
.....
	Fax No

Name	E-mail
.....
Title	Date
.....

Form C1	Monthly operational submission form for a new licence holder in the initial operation period
Purpose	This form is to be used for the monthly operational submissions required by new licence holders in their initial operation period

Hong Kong

New Licence Holder Monthly Operational Submission Form

Licence holder name	
Current Licence No.	
Validity of Current Licence	From: To:
Submission Month (e.g. June 2013)	

Parameter	Description/Calculation	Reporting period (MM/YY)	Previous reporting period (MM/YY)	Comments
1. Block hours flown	Total flight and taxi time for the month			
2. Fuel cost and burn rate	Total fuel costs and burn rate for the month (\$ and L)			
3. Passenger numbers	Total number of passengers for the month			
4. Cargo Tonnes	Total number of cargo tonnes for the month			
5. Revenue Passenger Kilometres	Number of seats sold (paying at least 25% of the regular ticket price) multiplied by distance flown for the month			
6. Revenue Tonne Kilometres	Passenger and cargo capacity sold (in tonnes) multiplied by distance flown for the month			

Parameter	Description/Calculation	Reporting period (MM/YY)	Previous reporting period (MM/YY)	Comments
7. Available Seat Kilometres	Total available seats for sale multiplied by total Kilometres flown for the month			
8. Available Tonne Kilometres	Total available cargo tonnes for sale multiplied by total kilometres flown for the month			
9. Passenger Load Factor	Passenger kilometres flown as a percentage of available seat kilometres			
10. Passenger Yield	Passenger revenue divided by revenue passenger kilometres for the month			

Signed

Name

Title

Tel No

Fax No

E-mail

Date

Form C2	Monthly financial submission form for a new licence holder in the initial operation period
Purpose	This form is to be used for the monthly financial submissions required by new licence holders in their initial operation period

Hong Kong

New Licence Holder Monthly Financial Submission Form

Licence holder name	
Current Licence No.	
Validity of Current Licence	From: To:
Submission Month (e.g. June 2013)	

Parameter		Description/Calculation	Reporting period [#] (MM/YY)	Previous reporting period (MM/YY)	Comments
			[HK\$ million]	[HK\$ million]	
Total Assets	(A)	-			
Net Fixed Assets	(B)				
Current Assets	(C)	-			
Total Liabilities	(D)	-			
Current Liabilities	(E)	-			
Total Equity [i.e. Net Assets or (Net Liabilities)]	(F)=(A)-(D)	Total assets minus total liabilities			
Turnover/ Revenue	(G)	-			
Operating Expenses	(H)	-			
Operating Cash Flow	(I)	Net cash flow generated from operating activities			

Parameter		Description/Calculation	Reporting period [#] (MM/YY) [HK\$ million]	Previous reporting period (MM/YY) [HK\$ million]	Comments
Cash & Bank Balances	(J)	Cash and cash equivalents at the last date of the reporting period			
Other Liquid Funds / Assets	(K)				
Working Capital	(L)=(C)-(E)	Current assets minus current liabilities			
Net Profit / (Loss) After Tax	(M)				
Current Ratio (Times)	(a)=(C) / (E)	Current assets divided by current liabilities			
Quick Ratio (Times)	(b)=[(J)+(K)] ÷ (D)	Cash and liquid assets divided by current liabilities			
Debt- Equity Ratio (Times)	(c)=(D) / (F)	Total liabilities divided by total equity			
Fixed Asset Turnover Ratio (Times)	(d)=(G) / (B)	Net sales divided by net fixed assets			
Operating Ratio (Times)	(e)=(H) / (G)	Operating expenses divided by revenue			
Net profit / (loss) margin (%)	(f)=(M) / (G)	Net profit / (loss) after tax divided by revenue			

[#] Management accounts (statement of financial position, statement of comprehensive income and statement of cash flows) for the period ended _____ are attached with this submission.

Signed _____ Tel No _____
 _____ Fax No _____
 Name _____ E-mail _____
 Title _____ Date _____

Form C3	Annual submission form for an existing licence holder
Purpose	This form is to be used for the annual submissions required by all existing licence holders

Hong Kong
Annual Submission Form

Licence holder name	
Current Licence No.	
Validity of Current Licence	From: To:
Submission Month (e.g. June 2013)	

Parameter		Description/Calculation	Financial year [#] (YYYY)	Previous financial year (YYYY)	Comments
			[HK\$ million]	[HK\$ million]	
Total Assets	(A)	-			
Net Fixed Assets	(B)				
Current Assets	(C)	-			
Total Liabilities	(D)	-			
Current Liabilities	(E)	-			
Total Equity [i.e. Net Assets or (Net Liabilities)]	(F)=(A)-(D)	Total assets minus total liabilities			
Turnover/ Revenue	(G)	-			
Operating Expenses	(H)	-			
Operating Cash Flow	(I)	Net cash flow generated from operating activities			

Parameter		Description/Calculation	Financial year# (YYYY)	Previous financial year (YYYY)	Comments
			[HK\$ million]	[HK\$ million]	
Cash & Bank Balances	(J)	Cash and cash equivalents at the last date of the reporting period			
Other Liquid Funds / Assets	(K)				
Working Capital	(L)=(C)-(E)	Current assets minus current liabilities			
Net Profit / (Loss) After Tax	(M)				
Current Ratio (Times)	(a)=(C) / (E)	Current assets divided by current liabilities			
Quick Ratio (Times)	(b)=[(J)+(K)] ÷ (D)	Cash and liquid assets divided by current liabilities			
Debt- Equity Ratio (Times)	(c)=(D) / (F)	Total liabilities divided by total equity			
Fixed Asset Turnover Ratio (Times)	(d)=(G) / (B)	Net sales divided by net fixed assets			
Operating Ratio (Times)	(e)=(H) / (G)	Operating expenses divided by revenue			
Net profit / (loss) margin (%)	(f)=(M) / (G)	Net profit / (loss) after tax divided by revenue			

Audited financial statements for the year ended _____ are attached with this submission.

Signed

.....

Name

.....

Title

.....

Tel No

.....

Fax No

.....

E-mail

.....

Date

.....

Form C4	Change in shareholding/control or share pledge notification form
Purpose	This form is to be used to notify ATLA of any change in shareholding or control which represents 10% or more of the total shareholding or voting rights, any change in control of the corporate licensee or any share pledge agreements.

Hong Kong

Change in Shareholding/Control or Share Pledge Notification

Licence holder name	
Current Licence No.	
Date of the confirmed change/entered into share pledge agreement or similar arrangement	
Details of the change/ share pledge agreement or similar arrangement	

The changes in shareholding/control are detailed below:

Name of shareholder that has decreased in share ownership/control			
Representative's name and position			
	Voting rights (E.g. 1 vote/1 share)	Ratio of voting right to those of total shareholders (E.g. 11%)	Major shareholder ranking (E.g. 4 th)
Before change			
After change			

Name of shareholder that has increased in share ownership/control			
Representative's name and position			
	Voting rights (E.g. 1 vote/1 share)	Ratio of voting right to those of total shareholders (E.g. 11%)	Major shareholder ranking (E.g. 4 th)
Before change			
After change			

The share pledge agreement / similar arrangement is detailed below:

Name of shareholder that has entered into the share pledge agreement or similar arrangement	
Number of shares pledged	
Voting rights of shares pledged (e.g. 1 vote/1 share)	

Signed	Tel No
Name	Fax No
Title	E-mail
	Date

Form D1	Publication of Applications – Regulation 7
Purpose	Sample Gazette notice for new licence application, application for renewal or variation of licence to operate scheduled air services

Hong Kong

Publication, by Licensing Authority, of Particulars of Application to Operate Scheduled Air Services

In accordance with the provisions of Regulation 7 of the Air Transport (Licensing of Air Services) Regulations, the Licensing Authority of Hong Kong hereby publish prescribed particulars of the undermentioned application to operate Scheduled Air Services in, to and from Hong Kong.

Any representations regarding, or objections thereto, in accordance with Regulation 8 must be received by the Licensing Authority within 14 days after the date of the first publication of this Notice; and any Notice, requiring the holding of a public inquiry must be received within 14 days after the date of the first publication of this notice.

Particulars of Application to Operate Scheduled Air Service(s)

1	Applicant	ABC Airways Limited
2	Date of first publication of application	DD MONTH YYYY
3	Purpose of services	Passenger, Mail or Cargo
4	Route(s) applied for	Hong Kong/Paris/Bangkok and vice versa, to be operated in any order or sequence, with the ability to omit any point or points other than Hong Kong.

<Insert Name>

Chairman

Air Transport Licensing Authority

Date: DD MONTH YYYY

(April 2013)

Form D2	Publication of ATLA's decisions – Regulation15(1)
Purpose	Sample Gazette notice of an ATLA decision

Hong Kong

Notification of Decisions of the Air Transport Licensing Authority

In accordance with the provisions of Regulation 15 of the Air Transport (Licensing of Air Services) Regulations, the Licensing Authority of Hong Kong hereby publish the following particulars of their decisions regarding the <grant, conditional/emergency grant, variation, refusal, addition of a condition, suspension, revoke> of a licence to operate the undermentioned proposed Service(s) specified.

Applicant or Licence Holder:

Date of application:

ATLA's decision is as follows:

(The reasons stated are at the discretion of the Licensing Authority)

1. <type of licence e.g. full/provisional/temporary> Licence granted (no reason)
<Insert text>
2. Licence No. <Insert text> renewed with the following variations granted
<Insert text>
3. Application refused for the following reason(s) <Insert text>
4. Licence No. <Insert text> revoked for the following reason(s) <Insert text>
5. Licence No. <Insert text> suspended for the following reason(s) <Insert text>
6. Licence No. <Insert text> has the following conditions added <Insert text>

Signed:

<Insert name>

Secretary

Air Transport Licensing Authority

Date: DD MMM YYYY

(April 2013)

Form E1	Notification of Inquiry under objections / representations – Regulation 9
Purpose	Sample notification of inquiry under objections / representations

Hong Kong

Notification of Inquiry under Objections / Representations

Address:

Date:

To:

Dear Sir/Madam:

I am directed to notify you in accordance with Regulation 9 of the Air Transport (Licensing of Air Services) Regulations that the Licensing Authority will hold a private/public inquiry to consider the application by..... <Insert text> for a <Insert text> and to invite you to attend this inquiry for the purpose of being heard with regard to the said application.

The inquiry will be held on (date)..... <insert text> at the hour of <Insert text> at (place of meeting).....<Insert text> and I am to request you to notify me at once whether or not you will be present or represented.

Signed:

<Insert name>

Secretary

Air Transport Licensing Authority

Date: DD MMM YYYY

(April 2013)

Hong Kong

Response to Notification of Inquiry under Objections / Representations

Name:

Address:

Date:

The Secretary, Air Transport Licensing Authority.

Sir/Madam,

I hereby acknowledge receipt of your Notification dated <Insert text>. I
*shall/shall not be present or represented by <Insert text> at the enquiry to
be held on (date)..... <Insert text>.

*delete whichever is inapplicable

Signed:

<Insert name>

Date: DD MMM YYYY

Appendix C. Sample ATLA Memorandum

ATLA Memorandum No. []

Application by [Airline]

to operate scheduled services

Application

[Airline] applied on [date] to the Air Transport Licensing Authority (ATLA) for a licence to operate scheduled services for the carriage of passengers, mail and cargo on the following route:

[Route]

(Point of Departure: [])

2. As required under regulation 7 of the Air Transport (Licensing of Air Services) Regulations (the Licensing Regulations), [airline]'s application was first gazetted on [date]. A copy of the notice is at **Annex A**. No representation or objection was received in respect of this application within the 14-day statutory period.

Consideration

3. Regulation 11 of the Licensing Regulations specifies the matters which ATLA shall have regard to in determining an application i.e.-

- a. the extent to which it is probable that the applicant will be able to provide a satisfactory service in respect of continuity, regularity of operations, frequency, punctuality, reasonableness of charges and general efficiency;
- b. the financial resources of the applicant;
- c. the type of aircraft proposed to be used; and
- d. the remuneration and general conditions of employment of aircrew and other personnel employed by the applicant.

4. The Director-General of Civil Aviation has provided at Annex B the relevant information in relation to items (a) and (c) above. [Airline] has provided a statement of financial resources and information on conditions of employment for its staff (see Annex C), which are relevant to items (b) and (d) above.

International Implications

5. Advice on the international implications of [Airline]'s application was obtained from the Transport Branch of the Transport and Housing Bureau. A copy of the statement is at **Annex D**.

Grant of Licence

6. If the application is approved, it is proposed that the licence be in the form of the draft at **Annex E**.

Advice Sought

7. Members are invited to advise on whether the application should be approved or whether a meeting should be held to consider the application. Grateful if you could complete the reply slip attached to the covering letter.

8. If members approve the application, the licence will be granted and the Authority's decision will be published in the HKSAR Gazette in accordance with regulations 12 and 15 of the Licensing Regulations.

Signed:

<Insert name>

Secretary

Air Transport Licensing Authority

Date: DD MMM YYYY

Reply Slip

to

ATLA Memorandum No. []

Please fax to: 2524 9397

The Secretary
Air Transport Licensing Authority
Room 2120, 21/F, East Wing
Central Government Offices
2 Tim Mei Avenue
Tamar, Hong Kong

Application by

to Operate Scheduled Services

With reference to the application by for a licence to operate scheduled services for the carriage of passengers, mail and cargo on the following route:

.....

I hereby declare that I have **the following/no[#]** interest in the application under consideration:

()* I approve the proposed licence attached to ATLA Memorandum No. [] to be granted to

()* I would like to hold a meeting to consider the application.

Signed : _____
Name in Block Letters : _____
Date : _____

*# Please delete as appropriate
* Please tick as appropriate
(April 2013)*

Appendix D. Transitional Arrangements

1. On the commencement date of the Air Transport (Licensing of Air Services) (Amendment) Regulation 2011 (the “Amendment Regulation”), any valid licence granted under the Air Transport (Licensing of Air Services) Regulations (Cap. 448A) as in force before the commencement date of the Amendment Regulation (the “Pre-amended Regulation”) is regarded as a licence granted under Regulation 11A of the Amendment Regulation. The licence will expire on the date as specified under the Pre-amended Regulation.
2. If a person holds more than one licence, these existing licences are to be combined into a single licence with the following effects:
 - a. The scheduled journeys entitled to be undertaken in the previous existing licences will not be affected
 - b. Any conditions attached to the previous existing licences will apply only in respect of the scheduled journey covered by that licence; and
 - c. If the expiry dates of the previous existing licences are different, the expiry of the consolidated licence will be the latest of those dates.
3. ATLA may, on application, replace without charge the existing licences with a consolidated licence as outlined in Paragraph 2 above. This licence is regarded as a licence granted under Regulation 11A of the Amendment Regulation.
4. If, immediately before the commencement date of the Amendment Regulation, an application for a licence under Regulation 6 of the Pre-amended Regulation is still pending:
 - a. ATLA must not process the application any further; and
 - b. The application is treated as being withdrawn by the applicant.