

# **GUIDELINES AND REQUIREMENTS FOR DESIGNATION OF DOMESTIC AIRLINES ON INTERNATIONAL ROUTES.**

Domestic Airlines wishing to be designated on international routes shall fulfil the following requirements:

## **PART ONE**

### **PRELIMINARY REQUIREMENT**

- (a) Application for designation on international routes shall be made in writing to the Honourable Minister of Aviation. The application shall thereafter be forwarded to the Nigerian Civil Aviation Authority (NCAA) for assessment. The NCAA shall forward its technical report with appropriate recommendations to the Honourable Minister for final Government decisions.
- (b) The application letter shall contain the following particulars:
  - Details of routes to be operated;
  - Number and type(s) of aircraft to be used for the operation(s);
  - Details of airline's existing fleet, including number and age of aircraft;
  - Point(s) of departure and entry in Nigeria; and



- Point(s) of entry and departure in the country/countries the airline wishes to operate to.
- (c) The application letter shall be submitted along with the following supporting documents:
- Evidence of payment of Five Million Naira (N5 Million) non refundable processing fee to NCAA;
  - A copy of valid Air Transport License (ATL) of the applicant;
  - Evidence of increase of share capital to N1 billion (one billion Naira) for regional routes and N2 billion (two billion Naira) for international routes: and
  - A business Plan on the Operation of the proposed route(s).

The Business Plan shall contain but not necessarily limited to the following:

- Route viability analysis including detailed projected expenditure and revenue forecasts. The expenditure should be on such operating cost items as fuel, airport charges, handling charges, aircraft lease or depreciation, aircraft maintenance, catering insurance, personnel etc. While the revenue figures should includes



proposed load factors, fares and tariffs both at base and outstations, etc;

- A projected Balance Sheet including profit and loss account and current assets and liabilities for the next two (2) years (24months); and
- A projected cash flow statement and liquidity plan for the first three (3) months of operation.
- The assumptions used for the computations should be clearly stated.

Furthermore, the applicant is expected to show evidence that:

- It can meet fixed and operational costs incurred from operations for the first three (3) months without generating any income; and
- It can meet its actual and potential obligations for a period of twenty-four (24) months from the start of operations.

(d) The applicant is also required to submit the following:

- Details of Insurance Policy/ (Policies) Covering Hull, Passenger/Cargo, Crew and the Third Party. Limits of these covers should be in line with international standard i.e. the Montreal Convention of 1999.



- Details of Airline ownership structure and operational control of the line.
- Details of Management Team.
- Mode of acquisition of the aircraft proposed for utilization on the route(s) and evidence of ownership of more than one aircraft.
- Technical and maintenance arrangements in place or being put in place.
- Details of the Airline Security programme in accordance with Annex 17 and carriage of Dangerous Goods in accordance Annex 18.
- Evidence of three (3) years Audited Statement of Account for existing airlines and Certified Opening Balance Sheet for new Airlines.
- Current Tax Clearance Certificates of the company and its Directors.
- Proposed arrangements put in place or to be put in place for fuelling or Aircraft, Catering and Handling of Passengers/Cargo & Aircraft; as well as organizational provisions at outstations.
- Evidence and details of applicant's Computer Reservation System and subscription to SITA.
- Details of Communication Network in place.
- Ticketing Sales arrangement.



- Samples of tickets, baggage tags, manifest and other related document necessary to conduct a commercial flight
- Evidence of membership of IATA.
- Existing /Proposed commercial arrangement with other operators (e.gAlliance, Code share, Interline, Sales Agency, etc.
- Details of technical partners (if any).
- Details of applicants experience on scheduled domestic passenger operations and international passenger/cargo & charter operations for operating airlines. While new airlines must show evidence of capability and competence in term of finance, personnel, equipment and organization to carry out international passenger/cargo operation.
- Evidence of meeting all financial obligations associated with its operations e.g. aviation charges (in case of existing airlines).

*The Nigerian Civil Aviation Authority (NCAA) may during the course of processing the application request the applicant to submit additional information it may desire.*



## **PART TWO**

### **GRANT OF AIR CARRIER'S PERMIT.**

Having fulfilled the preliminary requirements stated in part one above and designated by government, the airline must obtain an Air Carrier's Permit (ACP) for international operations from NCAA. The airline shall however fulfil the following:

- (a) Make a payment of a non refundable processing fee of N5 million for African routes and N10 million for international routes. Airline designated on African and intercontinental routes will pay N10 million to NCAA.
- (b) The designated airline shall also submit the following documents:
  - (i) A revised Business Plan on the proposed operations of the Airline.
  - (ii) Details and evidence of arrangements made at proposed destinations to support the intended operations.
  - (iii) Evidence of authorized share capital commensurate with the scope of operation. For African routes N1 billion,



while intercontinental routes shall be N2 billion.

- (iv) Evidence of insurance policy for hull, passenger, cargo, third party and war risk in line with the Montreal Convention of 1999.
  - (v) Evidence of organizational exposition detailing airline ownership and control, airline management structure and details of the airlines operations including engineering, marketing, sales and promotion, flight operations flight planning and scheduling, arrangement for aircraft fuelling, handling, receipt and dispatch, catering and customer services.
  - (vi) Evidence of computer reservation system, subscription to SITA and other product distribution and /or support system.
  - (vii) Evidence of ownership or operational control of aircraft.
- (c) An airline that has been approved for designation by government on international routes shall seek from the Nigerian Civil Aviation Authority (NCAA), the variation of its Air Operator's Certificate (AOC) to cover routes and aircraft types to be operated.



- (d) An airline that has varied its AOC and obtained an Air Carrier's Permit (ACP) for international routes will have its designation process finalized by the ministry through the exchange of diplomatic note.
- (e) Government reserves the right to withdraw from any designated airline routes not operated within a period of twelve (12) months for African routes and twenty four (24) for international routes; and in case of suspension of operation it shall be for a period not more than twelve(12) months. Where a designated airline voluntarily desires to keep a designated route after the expiration of the twelve (12)months period, the airline shall pay applicable annual permit utilization fees as follows;
  - (i) African routes 25,000 USD Per annum; and
  - (ii) International routes 50,000 USD per annum.
- (f) Designated airlines shall pay inspection fees for destination inspections to NCAA. Also necessary fees shall be paid to NCAA for the negotiation or re-negotiation of applicable Bilateral Air Services Agreements (BASA).





## **CONDITIONS AND PRIVILEGES OF AIR CARRIER'S PERMIT (ACP) ON INTERNATIONAL ROUTES.**

- (1) All commercial alliances, code share arrangements etc being entered into by any designated airlines on allocated routes shall be submitted to the Ministry of Aviation and NCAA for approval to protect the country's national interest.
- (2) No right on the designated routes can be subcontracted by an airline without approval.
- (3) Any airlines that abandon routes for a period of twelve months shall have the routes withdrawn and given to another interested airline.
- (4) An airline shall ensure compliance with its approved seasonal schedules. NCAA shall keep records of the dispatch reliability of airlines. Any airlines that fall short of the benchmark set by NCAA will have its permit withdrawn.
- (5) An airline must put in place, a co-operative arrangement to cover its scheduled operations in case of unavoidable technical and operational problems.
- (6) An Air Carrier's Permit (ACP) will be considered for revocation and the top management of the airline prosecuted if the airline and/or its agents are found engaging in nefarious activities that can tarnish the image of the country. Same shall apply if the airline by omission or commission promotes the interest of their nations above



that of Nigeria, likewise if the airline and/or its agent fail(s) to meet safety and security, operating, as well as financial obligations to creditors.