

Official Record Series 5

United Kingdom
Civil Aviation Authority



CAA Scheme of Charges	No:	381
(Operating Licences, Air Transport Licences, Foreign Registered Aircraft Operating Permits, Third Country Operator Certificates, Alternative Dispute Resolution Scheme and Scarce Capacity Allocation Certificates)	Publication Date:	15 March 2021
	Commencement Date:	01 April 2021

The Civil Aviation Authority (the CAA), pursuant to Section 11 of the Civil Aviation Act 1982 and after consulting with persons likely, in its opinion, to be affected by the charges and with the Secretary of State, hereby makes a Scheme for charges to be paid in connection with the grant of Operating Licences, Air Transport Licences, Foreign Registered Aircraft Operating Permits, Third Country Operator Certificates, Alternative Dispute Resolution Scheme Provider and Scarce Capacity Allocation Certificates.

1 REVOCATION

- 1.1 The Scheme of Charges for Operating Licences, Air Transport Licences and Scarce Capacity Allocation Certificates published by the CAA on 20 March 2020 is hereby revoked.
- 1.2 Section 16(1) of the Interpretation Act 1978 (which relates to the effect of repeals) shall apply to this Scheme as if it were an Act of Parliament and as if the Scheme of 20 March 2020 revoked by sub-paragraph 1.1 above was an Act of Parliament thereby repealed.

2 CHARGES

- 2.1 On making application to the CAA for an Operating Licence or an Air Transport Licence, or the specified exemption as shown, the applicant shall pay to the CAA the relevant charge in Table 1:

Table 1

Line	Fixed Charges	Charge
1	Application for, or a licence resubmitted for, approval of a Type A Operating Licence/Air Transport Licence	£15,996
2	Application for, or a licence resubmitted for, approval of a Type B Operating Licence	£1,920
3	Exemption to allow the use of UK registered aircraft in the UK by non-UK carriers	£113
4	Air Travel Organisers' Exemption	£113

- 2.1.1 Without prejudice to the terms of charge in 2.1.2 below, where the cost of assessing an application for an approval set out in Table 1 Line 1 and Line 2 exceeds the fixed charge, the applicant will pay on demand (and before the CAA assessment continues) £181 per hour up to a maximum of (a) £70,000 for Type A licenses and (b) £15,996 for Type B licenses.
- 2.1.2 When the circumstances of the application for an approval under Table 1 Line 1 or Line 2 lead the CAA to consider it needs to instruct professional advisors (legal, accountancy, financial and other professional services) in order to assess the applicant or its group in order to consider whether the application can be granted or an existing licence holder continue to retain, an Operating Licence, the CAA will charge the applicant the amount of those professional service fees including any associated irrecoverable VAT. The CAA will invoice the applicant and the invoice will be payable on demand. The CAA will seek to consult with the applicant or licence holder in undertaking that instruction.
- 2.2 Except as set out in paragraph 2.3 below, variable charges are payable by the holder of the licence to the CAA in respect of each month during which an Operating Licence or an Air Transport Licence is in force. These are calculated on the basis of passenger and tonne kilometres flown pursuant to the licence during that period, multiplied by the rate applicable to each category. The charge for each month will be the sum of the two amounts based on the rates as specified in Table 2:

Table 2

Variable Charges	
(1)	(2)
per 1000 passenger-kilometres flown pursuant to the licence	per 1000 cargo tonne-kilometres flown pursuant to the licence
Applicable rate: 0.59 pence	Applicable rate: 2.98 pence

- 2.3 No variable charge is payable:
- in respect of any flight of a description specified in an Instrument made under section 64(2)(a) of the Civil Aviation Act 1982 and in force in accordance with section 64(3) of that Act, except where the flight is between points both of which are within the area consisting of the Channel Islands and the Isle of Man; or
 - in respect of any flight on which no passengers or cargo are carried for remuneration.
- 2.4 Where the holder of an Air Transport Licence or an Operating Licence (hereinafter referred to as the "contracting carrier") enters into an agreement with another aircraft

operator (hereinafter referred to as the “actual carrier”) under which the actual carrier provides substitute flights for the contracting carrier, passengers and tonne-kilometres flown by the actual carrier in the course of operating such substitute flights shall, for purposes of this Scheme, be deemed to be flown pursuant to the contracting carrier’s licence.

2.5 Where the holder of an Air Transport Licence or an Operating Licence operates aircraft registered outside the United Kingdom under the authority of a permit granted under Article 250 of the Order which includes a condition that the holder shall comply with some or all of the terms of the licence, passenger and tonne-kilometres flown pursuant to that permit shall, for purposes of this Scheme, be deemed to be passenger and tonne-kilometres flown pursuant to the licence.

2.6 Charges under paragraphs 2.1 and 2.2 above are payable upon demand being made by the CAA. The CAA may require the holder of a licence to pay a deposit against charges due and payable on the last day of each month which will be calculated:

- a) by reference to the number of passenger and tonne-kilometres flown pursuant to the licence during the corresponding month of the previous year;
- b) where no passenger and tonne-kilometres were flown pursuant to the licence during the corresponding month of the previous year, an amount based on the passenger and tonne -kilometres estimated by the CAA to have been flown by the licence holder during the month; or
- c) where, in the opinion of the CAA, the number of passenger and tonne-kilometres flown pursuant to the licence will be significantly different from the corresponding month of the previous year, an amount based on the passenger and tonne-kilometres estimated by the CAA to have been flown by the licence holder during the month.

2.7 A charge of £113 is payable on making an application for an Instrument pursuant to section 64(2)(b) (including section 64(2)(b) as applied in relation to Route Licences by section 69A(6) of the Civil Aviation Act 1982.

2.8 **Alternative Dispute Resolution (ADR) Scheme**

A charge of £5,972 is payable on making an application to be approved by the CAA to operate under the ADR Scheme.

The ADR approved entity shall pay to the CAA an annual continuation charge of £14,333 on 1 April. The CAA will raise an invoice in respect of the annual continuation charge which shall be payable by the approval holder on demand.

2.9 **Handling of airline passenger complaints outside of the ADR Scheme**

In respect of airlines and aerodromes that have not joined an ADR Scheme designated under The Civil Aviation (Denied Boarding, Compensation and Assistance and Access to Air Travel for Disabled Persons and Persons with Reduced Mobility), (Amendment) Regulations 2016, a passenger may make a complaint about (a) an airline, and (b) a UK aerodrome, or both, to the CAA that is within the scope of the CAA’s PACT’s service;

a) Handling of complaints against an airline

Once the CAA has concluded its assessment of a complaint against an airline, notwithstanding the outcome, the CAA will invoice the airline a charge of £160 per complaint, which is payable on demand. This charge will be waived only in the following circumstances:

- i) if the complaint relates to a flight that the CAA has already assessed for the purpose of Article 5(3) of UK Regulation EC 261/2004, and where no additional statutory entitlements are being claimed.
- ii) If the airline can satisfy the CAA that it has already settled the complaint prior to the CAA sending the complaint to the airline for the airline’s assessment. Evidence of the complaint being settled must be provided within 10 days of the CAA sending the complaint to the airline.

b) **Handling of complaints against an aerodrome**

When the CAA has concluded its assessment of a complaint made to it against a UK aerodrome, the CAA will invoice the aerodrome a charge of £160 per complaint, which is payable on demand. This charge will be waived only in the following circumstances:

- i) If the aerodrome can satisfy the CAA that it has already settled the complaint prior to the CAA sending the complaint to the aerodrome for the aerodrome's assessment. Evidence of the complaint being settled must be provided within 10 days of the CAA sending the complaint to the aerodrome.

2.10 Foreign Registered Aircraft Operating Permits

A charge of £80 is payable on making an application for a Foreign Registered Aircraft Operating Permit under Article 250 or 252 of the Order.

On occasion, where the applicant does not allow at least 12 hours for the CAA to process and issue a permit applied for, the CAA may require an additional charge of £1,500 to be paid with the application.

2.11 Third Country Operator Safety Certificates

On making application by a Third Country operator to the CAA for the issue of an Operator Safety Certificate aligned to Part-TCO, the applicant shall pay to the CAA a charge of £80.

Where it is deemed by the CAA that a site visit or audit of the third country operator is to be carried out by the CAA, then an additional charge of £3,620 will be payable by the applicant to the CAA. In addition, where the cost of the investigation exceeds the application charge of £3,620 (equivalent to 20 work hours), excess hour charges at £181 per hour will be charged up to a maximum of £46,800 in any year, or part of the year, in which the investigations are carried out. Any excess hour charges will be invoiced to the applicant in arrears and payable on demand.

2.12 Scarce Capacity Allocation Certificates

A charge of £15,996 is payable on making an application for the grant or variation of a Scarce Capacity Allocation Certificate pursuant to Regulation 10 of The Civil Aviation (Allocation of Scarce Capacity) Regulations 2007.¹

2.13 Safeguarding International Airline Competition

- a) Where an investigation is initiated relating to potential practices that either distort competition between Union air carriers and third party air carriers, or threaten to cause injury to Union air carriers, in accordance with UK Regulation (EU) No 2019/712 as retained (and amended) in UK domestic law under the European Union (Withdrawal) Act 2018, the costs incurred by the CAA will be recovered in line with the following principles. An initial fee is payable on application by the requesting party of £30,000; and
- b) The CAA will recover its remaining ongoing costs from Type A airlines, proportionate to the Type A airline contributions paid to the CAA in the previous financial year as chargeable in section 2.2 above.
- c) The costs outlined above shall be invoiced in arrears by the CAA in a timely manner as work progresses, and based on actual costs incurred.

¹ Where the costs incurred by the CAA in relation to an application are significantly less than the application charge, the CAA would normally, in accordance with its discretion under Section 11(5) of the Civil Aviation Act 1982, refund the difference. This would be assessed on a case-by-case basis. Such a refund may be appropriate where, for example, there is no need for the CAA to programme a public hearing relating to the application.

2.13 CAA invoice payment terms

All CAA invoices raised under this Scheme are payable on demand with the exception of the monthly variable charge deposit invoices (see section 1.6 above) which are payable by the end of the month to which the charge relates.

3 COPIES OF DOCUMENTS

Upon application being made for the issue by the CAA of a copy or replacement of a document referred to in this Scheme, the applicant shall pay a charge of £30.

4 DEFINITIONS

In this Scheme of Charges:

- a) "ADR Scheme" means a scheme operated under the Directive 2013/11/EU of the European Parliament and of the Council of 21 May 2013 on alternative dispute resolution for consumer disputes and amending Regulation (EC) No 2006/2004 and Directive 2009/22/EC as implemented by the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (SI 2015/542). All references to European Law will be retained (and amended in UK domestic law) under the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.
- b) "Air Transport Licence" means a licence granted by the CAA under section 65 of the Civil Aviation Act 182 (as amended).
- c) 'CAA' means the Civil Aviation Authority.
- d) 'in scope of PACT's service' means following a review of our complaint handling activities the CAA Passenger Advice and Complaints Team (PACT) will only handle complaints related to:
 - UK (EC) Regulation 261/2004 for delayed and cancelled flights, downgrade and denied boarding, as retained and amended in UK domestic law;
 - UK (EC) Regulation 1107/2006 about assistance for disabled and reduced mobility passengers, as retained and amended in UK domestic law, and
 - The Montreal Convention for cases of lost, delayed or damaged baggage.

Further information can be found on the [CAA website](#).

- e) "Operating Licence" means a licence granted by the CAA under Regulation UK (EC) No 1008/2008 as retained (and amended) in UK domestic law of the European Parliament and of the Council of 24 September 2008 on common rules for the operation of air services in the Community.
- f) All references to European Union laws in this scheme are to those laws as retained (and amended) in UK domestic law under the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.
- g) 'Part-TCO' means in relation to Third Country Operator Authorisations, that Part of UK (EU) Regulation No 452/2014 as retained (and amended in UK domestic law) under the European Union (Withdrawal) Act 2018, and as may be amended by regulations made under sections 8(1), 9(1) and 23(1) of, and paragraph 21 of Schedule 7 to, that Act.
- h) "Passenger-kilometre" means the product obtained by multiplying the number of

passengers carried by the distance flown in kilometres.

- i) “Tonne-kilometre” means the product obtained by multiplying the number of tonnes of cargo carried by the distance flown in kilometres.
- j) ‘The Order’ means the Air Navigation Order 2016 and any reference to an Article or Part of that Order shall, if that Order be amended or revoked, be taken to be a reference to the corresponding provisions of the Air Navigation Order for the time being in force.

(This note is not part of the Scheme.)

Reference to the CAA Refund Policy may be made at www.caa.co.uk/ors5

The latest version of this document is available in electronic format at www.caa.co.uk/ors5, where you may also register for e-mail notification of amendments. Details for purchasing paper copy can be found at the same web address.