



Advisory Circular

TCAA-AC-GEN008A

February 2020

AIRCRAFT LEASE AND INTERCHANGE

1.0 PURPOSE

This Advisory Circular (AC) gives guidance on the process involved in the approval of a lease arrangement by a certificated air operator. It also discusses those matters concerning continuing airworthiness which should be addressed when lease arrangements are considered, irrespective of the ratification of ICAO Chicago Convention Article 83 bis.

While this AC deals generally with all lease and interchange arrangements, TCAA-AC-GEN022 deals more specifically with wet lease arrangements.

2.0 REFERENCES

The Civil Aviation (Air Operator Certification and Administration (AOC)) Regulations.

3.0 DEFINITIONS

- a. "Lease" - Any agreement by a person (the lessor) to provide an aircraft to another person (the lessee) who will use the aircraft for compensation or hire purposes. A lease is not an agreement for the sale of an aircraft or a contract of conditional sale.
- b. "Lessor" - The person from whom the aircraft is leased.
- c. "Lessee" - The person to whom the aircraft is leased.
- d. "International Lease" - A lease between operators in two different States of Registry.
- e. "Domestic Lease": A lease from a lessor to a lessee within the State of Registry.
- f. "Dry lease" - Any agreement in which a lessor such as an air operator, bank, or leasing company leases an aircraft without any crewmembers to an air operator (the lessee) and in which the lessee maintains operational control.
- g. "Wet lease" - Any agreement in which an air operator (the lessor) leases an aircraft with flight crew provided to either a State Air Operator, foreign air operator, or a foreign person (the lessee). A wet lease requires that a written agreement between the lessor and the lessee be executed by authorized officers of the two parties. Either a copy of the lease agreement or a written memorandum of the terms of the lease agreement must be provided to the Authority.
- h. "Interchange agreement" - Any agreement in which the operational control of an aircraft is transferred for short periods of time from one air operator to another air operator and in which the latter air operator assumes responsibility for the operation of the aircraft at the time of transfer.



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- i. "Operational control," "operation of aircraft," or "operate aircraft" – The use of aircraft, for the purpose of air navigation and includes the navigation of aircraft. Any person who causes or authorizes the operation of aircraft, with or without the right of legal control (in the capacity of owner, lessee, or otherwise) of the aircraft, shall be considered to be engaged in the operation of aircraft.

4.0 INTERNATIONAL LEASE

- 4.1 An AOC holder shall not operate a foreign registered aircraft unless there is in existence a current agreement between the Authority and the state of registry that, while the aircraft is operated by the State AOC holder, these Regulations governing the issue of the State AOC and its operation specification shall apply
- 4.2 There is in existence a current agreement between the Authority and the state of registry that:
 - a. while the aircraft is operated by the AOC holder, the airworthiness regulations of the state of registry are applicable; or
 - b. if the state of registry agrees to transfer some or all of the responsibility for airworthiness to the Authority under Article 83bis of the Chicago Convention, the Civil Aviation (Airworthiness) Regulations shall apply to the extent agreed upon by the Authority and the State of Registry;
 - c. the agreement acknowledges that the Authority shall have unrestricted access to the aircraft at any place and any time.
- 4.3 When aircraft are leased, chartered or interchanged by an operator of another State, difficulties may be encountered by the State of Registry in continuing to fulfil its responsibilities. One partially acceptable interim solution is the establishment of an agreement between the State of Registry and the State of the Operator for the transfer of those functions from the State of Registry which can be more adequately discharged by the State of the Operator.
- 4.4 The State of Registry may delegate such functions, but any such arrangement must be acceptable to the State of the Operator. It must be mutually understood, however, that, such an arrangement does not totally relieve the State of Registry from its international obligations under the Convention. Complications can arise in situations where the State of the Operator does not have the capability of properly administering and enforcing the safety regulations.
- 4.5 In recognition of the difficulties attendant with lease arrangements, an amendment to the Convention, Article 83 bis was entered into force on 20th June 1997. This allows for the transfer by agreement by the State of Registry all or part of its functions or duties as State of Registry in respect of that aircraft under Articles 12 (rules of the Air), 30 (Aircraft Radio equipment), 31(Certificate of Airworthiness) and 32 (a) (Licensing of Personnel). In such an agreement, the State of Registry is relieved of responsibility in respect of the functions and duties transferred.

5.0 DOMESTIC LEASE

Although not totally subject to the above, a domestic lease requires similar considerations in ensuring the continuing airworthiness of an aircraft whenever an aircraft is leased, under any lease, hire, or charter lease arrangement. Prior to issue of an AOC it is essential that the conditions in the appropriate Operations Specifications, Memorandum of Understanding and conditions of the lease agreement be properly perused to determine operating boundaries and limitations.

6.0 GENERAL

Operators must take account of the following issues when aircraft lease arrangements are involved in AOC processes:

6.1 Maintenance Contract Requirements

An effective maintenance contract drawn in compliance with the Civil Aviation (Air Operator Certification and Administration) Regulations should include clauses that address the following:

- a. The state of registry shall be responsible for the safety oversight for the continued airworthiness of the aircraft in operation or as agreed in the contract of Article 83bis if entered.
- b. A statement to allow free access of the operator to the maintenance support facility.
- c. The Authority shall have unrestricted access to the contracted maintenance facility for inspection.
- d. A statement that the AMO shall follow the Operator's maintenance programme requirements in accordance with MCM or as agreed.
- e. A declaration to comply with all applicable maintenance requirements and regulations.
- f. That the AMO shall provide copies of the maintenance reports to the Operators to meet the obligations of continued airworthiness.

6.2 Acceptance of Type Design

When an operator proposes to introduce a leased aircraft into his operations, he should consult with the Authority to confirm at the earliest opportunity, whether any restrictions would be imposed on the particular model or type in operating the routes proposed.

In order to establish acceptability of the aircraft type/model, the Authority would assess the following:

- a. The aircraft carries an appropriate certificate of airworthiness issued, in accordance with International Civil Aviation Organization Annex 8, by the state of registry.
- b. The aircraft is of a type design which complies with all of the requirements that would be applicable to that aircraft were it registered in the State including the requirements which need to be met for issue of a The Staten certificate of airworthiness (including type design conformity, condition for safe operation, and the noise, fuel venting, and engine emission requirements);
- c. Any difference between the type certification basis of the State of Registry and other similar aircraft types operated in the State; and
- d. The respective responsibilities of the State of Registry and the Authority with respect to the approval of -
 - (i) Changes to the type design, including those required to take into consideration the differences stated above; and
 - (ii) Repairs which require a design approval before implementation.

Note 1: The State of Registry is responsible for the aircraft, any modification to it and compliance with approved design standards. Therefore, no changes may be endorsed without prior approval by the State of Registry.

Note 2: In the absence of ratification of Article 83 bis, a State of Registry remains fully responsible for its registered aircraft, irrespective of any agreement between contracting States.

6.3 Considerations — Foreign Aircraft

It is essential that persons considering embarking on an aircraft lease arrangement understand the respective responsibilities of the State of Registry and the State of the Operator. A lease agreement is an essential element of the leasing process.

6.4 The Aircraft Lease Agreement

The aircraft lease agreement must include as a minimum, the following details;

- a. Details of the lessor and lessee: The aircraft identity by make/model, nationality, registration number and manufacturer's serial number;
- b. The effective dates of the lease;
- c. The identity of the person having operational control;
- d. The identity of the person having maintenance control;
- e. The State of Registry and the airworthiness regulations under which the aircraft will be maintained;
- f. Responsibilities for the carrying out of the maintenance in accordance with Airworthiness regulations;
- g. Responsibilities for keeping the maintenance records of the aircraft in accordance with Airworthiness regulations; and
- h. The maintenance/inspection programme, including the system of maintenance that will be utilized.

7.0 MAINTENANCE PROGRAMME

7.1 The State of Registry should provide the Authority with documentation that describes the Regulations under which the maintenance and operation of the aircraft was carried out up to the time of the lease. This should include, where applicable, details of any deviation or exemptions from national regulations, together with approved maintenance programme variations for Extended Diversion Time Operation approvals (EDTO) as may be applicable.

7.2 Some of the factors that may influence the selection of the maintenance programme to be applied to an aircraft are:

- a. The lease period;
- b. Differences between the maintenance requirements of the State of Registry and those of The State of operation;
- c. Compatibility of the approved maintenance programmes for aircraft of the same type;
- d. The absence of requirements regarding the approval of the maintenance programme by the State of the Operator and/or the State of Registry; and
- e. The physical distance between the place where the aircraft is operated and the State of the Operator - that is, the aircraft may be operated in a third State for the duration of the lease.

7.3 Arrangements and procedures regarding the maintenance, the performance and certification of maintenance, including the signing of the maintenance releases and record-keeping, must be acceptable to both the State of Registry and the State of the Operator and form part of an official agreement.

7.4 The maintenance programme details must be identified to the following standard:

- a. The regulatory authority which gave approval/acceptance to the programme
- b. The minimum maintenance programme standard — for example, Maintenance Review Board Report, the manufacturer's recommended maintenance programme, or recommended tasks. Where deficiencies are identified in the programme, corrective action must be taken, as applicable, on the aircraft or to the programme. In this regard, the minimum maintenance standard in a given programme refers to the minimum required tasks and not the intervals applicable to those tasks; and
- c. A printed copy of the maintenance schedule should be provided, identifying all tasks and functions in such a manner as to permit traceability to the corresponding work cards or sets. This includes sampling programme tasks.

8.0 INFORMATION ON FAULTS, MALFUNCTIONS, DEFECTS AND OTHER OCCURRENCES

8.1 The State of Registry is responsible for ensuring that a system is in place for passing information on faults, malfunctions, defects and other occurrences to the organization responsible for the type design.



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- 8.2 When an aircraft is subject to a lease agreement, specific arrangements need to be developed between the Authority and the airworthiness authority of the State of Registry to ensure information on aircraft defects are transferred to the organization responsible for type design. It is essential that prior to the lease, a formal agreement is reached between the airworthiness authorities of the State of Registry, the Authority, and the operator concerning the reporting system and the associated procedures, to ensure transmission of the above information.
- 8.3 Some factors that may influence the method used for reporting information on aircraft defects are:
- a. The lease period;
 - b. Compatibility of the reporting systems between the Airworthiness Authorities of the State of Registry and the Authority;
 - c. The absence of a reporting system in the State of Registry; and
 - d. Differences in the regulatory requirements of the States involved.

9.0 MANDATORY CONTINUING AIRWORTHINESS INFORMATION

The State of Registry has prime responsibility for the airworthiness of an aircraft and for the provision of mandatory continuing airworthiness data, such as Airworthiness Directives (Ads). However, under lease agreement provisions, and in situations where there may be differing mandatory continuing airworthiness information on the same aircraft, it is essential that an agreement is entered into with the State of Registry to establish:

- a. which mandatory continuing airworthiness requirements will apply to the leased aircraft;
- b. the administrative procedures; and
- c. the distribution arrangements for transmittal of mandatory continuing airworthiness information between the airworthiness authorities of the State of Registry, the Authority and the operator. These matters should be addressed in the lease agreement.

10.0 RECORDS AND DOCUMENTATION — GENERAL

- 10.1 The following documents are used in relation to aircraft;
- a. Actual work documents – Records that describe the maintenance actually being carried out and containing the original signature of the person who carried out or approved the work;
 - b. AD method of compliance – An explanation of what action is actually being taken to comply with the requirements of the AD. The specific method of compliance must be stated, since an AD or a referenced manufacturer’s service bulletin may permit the use of more than one method of compliance;
 - c. Control of Life-Limited Parts – Any part that must be removed from service prior to its operating limit (hours, cycles and/or calendar time) being exceeded; and



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- d. In-service history records – Records from which the current status of life-limited parts can be determined.
- 10.2 These documents must, as a minimum -
- a. Clearly identify the part;
 - b. Show the date and place of installation and removal;
 - c. Show the date, hours and/or cycles (as appropriate) at installation and removal; and
 - d. Show any other events such as a modification that would affect the life limit or change the limiting parameter.

Note: Not all modifications and alterations would necessarily be pertinent to the life limit of the part.

- 10.3 In relation to ADs, it is essential to determine currency of life-limited parts as follows:
- a. The current status of the part, indicating the part life limitation;
 - b. Total number of hours or accumulated cycles; and
 - c. The number of hours or cycles remaining before the required removal time of the part is reached.
- 10.4 This record must also include any modification carried out in accordance with ADs, service bulletins, or product improvements that affects or changes the life limit.

11.0 AIRWORTHINESS DIRECTIVES

- 11.1 The current status must identify:
- a. The particular airframe, engine, propeller, rotor, or aircraft component;
 - b. The applicable ADs, including amendment number;
 - c. Date when the AD was carried out;
 - d. When, as applicable, the next recurring action is due;
 - e. Description of the method of compliance;
 - f. The appropriate measuring parameters (hours, cycles and/or calendar times).
- 11.2 Consideration must be given to aircraft records and documentation as indicated in the following paragraphs:
- a. Prior to the initiation of a lease, all parties must coordinate the scope and content requirements of technical log, journey log books and maintenance records, which will eventually be required upon aircraft return or further lease;
 - b. The governing record-keeping regulation and/or, as applicable, the approved system of record keeping, under which the aircraft records are maintained, should be determined prior to a lease; and
 - c. In a foreign lease, where the records are in a language other than English, all aircraft records essential for the continued airworthiness and safe operation of the aircraft during the period of lease shall be translated into English. This shall be determined and put into place prior to the lease.



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- 11.3 Documentation requirements should be established for receipt of aircraft components and contained in the operator's Maintenance Control Manual to support purchasing and receiving inspection functions. These include, but are not limited to -
- a. Documentation of AD compliance;
 - b. Time of life limits;
 - c. Description of work carried out; and
 - d. Certification of new and repaired components.
- 11.4 Once the above requirements are satisfied and the essential information is entered into the operator's records system, the only source documentation required to be retained is that necessary to -
- a. Satisfy the requirements of the responsible regulatory authority;
 - b. Support the operator's continual analysis surveillance system; and
 - c. Support future maintenance on the affected parts.

Note: It is recommended that the C of R holder retain, or archive, documentation of AD compliance, life-limited aircraft component service times, and any other information that may be useful in the future.

12.0 USED AIRCRAFT

- 12.1 When a used aircraft is introduced into an operator's fleet, the receiving operator should review the aircraft's records to ensure that they provide current maintenance information necessary to phase the aircraft into his maintenance programme. This includes records such as:
- a. The documentation of the last scheduled inspection;
 - b. The current status of AD's, life-limited parts and components;
 - c. Supplemental structural inspections document;
 - d. Damage-tolerance inspection status;
 - e. Certification maintenance requirements; and
 - f. Major repairs and major modifications.

Note: The records of the last operator prior to the lease giving the status of life-limited parts and ADs, including method of compliance, should be accepted as valid unless discrepancies are apparent. However, that operator should provide a written statement that the records are correct. If the aircraft is being leased from a foreign source, it may be necessary for the operator to evaluate the foreign operator's maintenance scheduling and record-keeping system to ensure the validity and integrity of the records. The available records may vary, depending on the country of origin.

Note: This may require discussion between the Authority and the foreign authority to establish the validity of an operator's system of maintenance, scheduling and record keeping.



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12.2 The following are to be considered in determining the validity of the current status of life limited parts/components and AD compliance.

- a. If the State of the foreign operator is a contracting State, then that operator's records should meet ICAO requirements. In this case, the current record status of life-limited parts/components and ADs can be considered acceptable;

Note: In order to establish the ICAO record-keeping requirements, reference should be made to ICAO Annex 6, Part 1, Chapter 8 (Aeroplanes) and Part 111, Chapter 6 (Helicopters).

Note: Any significant departure, errors or omissions, in a records status report, would indicate inadequate records and/or record-keeping system.

- b. Records must accurately reflect the manufacturer's component part number, as applicable. If the operator utilizes a part numbering system other than the manufacturer's, a complete cross-reference must be provided with the records. If alternative part numbers are recorded, technical substantiation should be available to support the part substitution.
- c. All components and assemblies controlled by serial numbers should have their serial numbers recorded in the maintenance records. If the operator utilizes a serial numbering system other than that of the manufacturer's system, a complete cross-reference should be provided with the records.
- d. All records should be properly dated with reference to an installation or maintenance function completion. If the date format is numeric, the system should use a day/month/year format to date the records.

13.0 RECORD RETENTION — AIRWORTHINESS DIRECTIVES

13.1 Records of the current status of applicable ADs for a particular airframe, engine, propeller, rotor or aircraft component should be maintained. The record should:

- a. Identify the particular airframe, engine, propeller, rotor or aircraft component;
- b. Identify the applicable AD (including amendment number);
- c. Give the date when the AD was carried out and, if applicable, when the next recurring inspection/action is due;

13.2 Describe the method of compliance if more than one method is specified in the AD, and show the appropriate measuring parameters (hours, cycles and/or calendar times).

13.3 The specific data required to be recorded and kept as part of a maintenance record will be determined by the relevant Authority's actual regulatory requirements and/or approved/accepted systems, applicable to the particular aircraft.



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Note: Current status information must be maintained as long as the airframe, engine, propeller, rotor or aircraft component is used or intended to be used by the operator.

14.0 RECORD RETENTION — LIFE-LIMITED COMPONENTS

- 14.1 The operator must maintain a record of the current status of life-limited aircraft components. Where the operator has obtained components new from the manufacturer, the current status will be based upon the operator's in-service history of the component. However, if the component has been obtained from a previous operator, the current status will be based on the status from the previous operator plus the present operator's in-service history.
- 14.2 The current status of life-limited components is required upon each lease throughout the operating life of the component. When components are leased, the previous operator should produce an in-service history of life-limited components, irrespective of that operator's governing regulations.
- 14.3 When life-limited components are leased between operators, a written statement by the previous operator, attesting to the current status of life-limited components, is an acceptable method of indicating prior operating service of the component(s).
- 14.4 When the records of current status for life-limited components are lost or destroyed, an acceptable level of safety may be determined by consideration of other records available, such as technical records, utilization reports, manufacturer's information, or presentation of other evidence. If a review of other available documentation reveals significant errors or omissions that prevent the development of a current status for life-limited component(s), the components in question should be retired from service or overhauled, as appropriate.
- 14.5 It is the operator's responsibility to notify the appropriate regulatory authority when such records are lost or destroyed and to initiate an immediate search for records from which the current status of the life-limited component(s) can be determined. Not all life-limited components will necessarily be marked with part and serial numbers; for aircraft manufactured in the United States, specific requirements that life-limited components must be marked with part and serial numbers have existed only since the early 1980's. Operators must be able to track life-limited components manufactured prior to the early 1980's, although such components may not be serialized items.
- 14.6 Operators may receive life-limited components from an approved organisation that has a system to determine the current status of such life-limited components. This system should be recognized as a factor in the substantiation of the current status of life-limited components.

15.0 TRANSFER OF RECORDS

- 15.1 When an aircraft, airframe, engine, propeller, rotor or aircraft component is leased, the records of these products should accompany the product. Such records should include the



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current status of maintenance, AD and life-limited components and should clearly identify the person responsible for the data in the report and the date associated with the records.

- 15.2 When an aircraft, airframe, engine, propeller, rotor or other component is leased, all associated records should be transferred as if the transaction were a sale. However, by agreement between the transferring parties, some records, such as work cards and inspection records may be retained by the owner. Nevertheless, the operator has a responsibility to review the records retained by the previous owner and to ensure that the summary information used to support the airworthiness of an item is complete and accurate.

16.0 LOST RECORDS

In the event that required maintenance records have been lost or destroyed, alternative proof must be provided that the tasks in question have been performed.

17.0 SERVICE BULLETINS

All service bulletins that have been incorporated should be listed together with completion dates. If options are applicable, the option complied with should also be indicated. When a service bulletin involves recurring action, the times and/or dates, as applicable, of the last action and the next action due should be provided.

18.0 MODIFICATIONS

- 18.1 All modifications carried out since the original aircraft delivery, which still exist on the aircraft, must have been carried out in accordance with the requirements of the airworthiness authority of the State of Registry at the time of incorporation.

- 18.2 A list of modifications must be provided, indicating their classification and supported by appropriate documentation. In the case of a major modification, this documentation must, as a minimum, contain:

- a. The document describing the modification;
- b. The certification basis; and
- c. The approval of the relevant authority.

19.0 REPAIRS

All major repairs carried out since original aircraft delivery and which still exist in the aircraft should be listed and demonstrated to be in compliance with the requirements of the airworthiness authority of the State of Registry at the time of their incorporation. If additional action is required, for example recurring inspection, this shall also be indicated.

20.0 DOCUMENT PRESENTATION



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To assist all parties involved in the records review process, and to encourage a standard method of presentation, it is recommended that all records and other pertinent information be compiled into a common records summary document.

21.0 PROCESSING LEASE AND INTERCHANGE ARRANGEMENTS

21.1 Dry Lease Agreements

- a. The Civil Aviation (Air Operator Certification and Administration) Regulations, gives details on the requirements and the conditions for dry lease. Operators should use these references as the basis of the legal requirements and the guidance as applicable to the specific conditions of the lease arrangements. Subject to these regulations and the guidance contained in this AC, dry lease of an aircraft does not normally present a significant problem. Operational control of any dry leased aircraft rests with the operator operating that aircraft.
- b. In most dry lease agreements, the lessor is either a bank, a leasing company, or a holding company which has neither the operational expertise and infrastructure nor the desire to assume responsibility and liability for controlling daily operations of the leased aircraft.
- c. The air operator or operator leasing the aircraft applies for an amendment of his operations specifications to list the leased aircraft. If an aircraft is dry leased from another operator, the lease agreement must be explicit concerning the maintenance programme and Minimum Equipment List to be followed during the term of the dry lease.

21.2 Wet Lease

- 21.2.1 The term "wet lease" is a leasing agreement whereby an air operator agrees to provide an aircraft with flight crew to another air operator. The words "air operator" refers to a person approved by the Authority to operate aircraft in commercial air transport.
- 21.2.2 The lessee is required to submit a copy of the lease agreement or a written memorandum of the terms of the lease to the Authority for processing. Where the wet lease agreement involves only flight crew, the lessee shall ensure that his cabin crew receive the required training with respect to their cabin safety and emergency duties on such aircraft by the lessor's AOC holder who will also provide training records of such training. This training shall include crew coordination training with the lessor's flight crew. In addition, cabin crew must be made aware of the State of Registry's requirements with respect to duty time limitations and the performance of their duties and responsibilities aboard the wet leased aircraft.
- 21.2.3 The Authority will advise the AOC holder without delay that that he is responsible for operational control as stipulated in the Civil Aviation (Air Operator Certification and Administration) Regulations and must be recorded in writing and maintained in the Authority files.



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21.2.4 The lessor will be asked to submit the following information regarding the lease needed for making proper determination of operational control:

- a. A copy of his Air Operator Certificate;
- b. A copy of his Operations Specifications;
- c. A list of the aircraft registration of all the aircraft which will be used in the wet lease operations;
- d. A list of flight crew member names, licence numbers and licence validity date. Flight crew members must hold an appropriate licence, or have their licence validated by the state of the aircraft registry.
- e. A list of names of all maintenance personnel who will be maintaining the aircraft during the period of the lease. Maintenance personnel must hold an appropriate licence, or have their licence validated by the state of the aircraft registry
- f. Name of contact person at lessor's Civil Aviation Authority;
- g. Official letter from the lessor's CAA to the Authority that they are aware of the leasing arrangements and assume responsibility for the operations under ICAO Annexes 1, 6 and 8;
- h. A copy of the lease agreement with details of the lease and including a clear statement that the lessor maintains operational control.

21.2.5 Determination of Operational Control

The Civil Aviation (Air Operator Certification and Administration) Regulations provides that the lessee has operational control considering the extent and control of certain operational functions such as:

- a. Initiating and terminating flights;
- b. Maintenance and servicing of aircraft;
- c. Scheduling crew members;
- d. Paying crew members; and
- e. Training crew members;

21.2.6 Amending Operations Specifications

After it has been determined which party has operational control, each AOC holder shall have his operations specifications amended. The amendment to the operations specifications shall contain the following information:

- a. The names of the parties to the agreement and the duration of the agreement;
- b. The make, model, and series of each aircraft involved in the agreement;
- c. The kind of operation;
- d. The expiration date of the lease agreement;
- e. A statement specifying the party deemed to have operational control; and
- f. Any other item, condition, or limitation the Authority determines necessary.

21.3 Interchange Agreements



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21.3.1 General

- a. An interchange agreement is a subset of a dry lease agreement. The Civil Aviation (Air Operator Certification and Administration) Regulations prescribes the requirements for interchange agreements. An interchange agreement permits an air operator to dry lease aircraft to another air operator for short periods of time. Before being approved for operations under an interchange agreement, a national air operator is required to show that:
 - i. The procedures for the interchange operation conform to safe operating practices;
 - ii. Required crew members and flight operations officers meet approved training requirements for the aircraft and equipment to be used and are familiar with the communications and dispatch procedures to be used;
 - iii. Maintenance personnel meet training requirements for the aircraft and equipment, and are familiar with the maintenance procedures to be used;
 - iv. Flight crew members and flight operations officers meet appropriate route and airport qualifications;
 - v. The aircraft to be operated are essentially similar to the aircraft of the national air operator with whom the interchange is effected; and
 - vi. The arrangement of flight instruments and controls that are critical to safety are essentially similar, unless the Authority determines that the air operator has adequate training to ensure that any potentially hazardous dissimilarities are safely overcome by flight crew familiarization;
- b. Each operating party to an interchange agreement must obtain prior approval from his respective authority before he conducts any operation using any aircraft. The aircraft may be listed on the operations specifications of both operators at the same time. The registration markings of each aircraft must be listed on the operations specifications of each air operator.

21.3.2 Approval Procedures

- a. Matters which are commonplace in the normal operations of an air operator, frequently present major problem in an aircraft interchange. Therefore, special emphasis must be given to the review, approval, and monitoring of this type of operation.
- b. The following direction and guidance is relevant when an application is received for an aircraft interchange:
 - i. Each air operator party to an interchange agreement will submit an application to the Authority for amendment of his operations specifications. Each air operator will submit a copy of the interchange agreement or a written memorandum of the terms of the agreement as part of the application;
 - ii. Equipment variances and non-standard cockpit arrangements of switches, instruments, and controls can be potentially dangerous unless effective training or corrective changes are accomplished before operation and are closely monitored thereafter.



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21.3.3 Amending Operations Specifications

- a. When all items have been found satisfactory, the operations specifications of both the primary and interchange operators shall be amended. The primary operator is the air operator who would normally operate the aircraft if the interchange agreement were not in effect. The interchange operator is the other party to the interchange agreement. The names of each party will be entered in the appropriate column of each operator's operations specifications.
- b. The aircraft make, model, and series will be entered in the appropriate column of the operations specifications. In addition, the registration markings of each aircraft to be used in the interchange agreement must be identified in the primary and interchange operators' operations specifications. For most interchange agreements, the registration markings of the aircraft to be interchanged will have previously been entered in the primary operator's operations specifications.
- c. The interchange points shall be entered in the appropriate column of the primary and interchange operators' operations specifications. The transfer of flight crews and operational control responsibility shall take place only at the airports specified in the interchange points' of each operations specifications.
- d. Additional conditions, limitations, and safety related requirements will be included in the primary and interchange operators' operations specifications as authorized by the Civil Aviation (Air Operator Certification and Administration) Regulations.

A handwritten signature in black ink, appearing to read 'P. [unclear]', is written over a light blue horizontal line.

Director Safety Regulation