

The Air Service Management Regulation, 2082 (2025)

In exercise of powers conferred by Section 3 of the Civil Aviation Act, 2015 (1959), the Government of Nepal has framed the following Rules.

Chapter-1

Preliminary

1. **Short Title and Commencement:** (1) This Rules may be cited as the “Air Service Management Regulation, 2082 (2025).”

(2) This Regulation shall come into force immediately.
2. **Definition:** Unless the subject or context otherwise requires, in this Regulation,-
 - (a) “International Air Service Operating Agency” means an air service operating agency that operates scheduled flights from Nepal to a foreign country or from a foreign country to Nepal, and the term also includes an air service operating agency that operates charter or cargo flights from Nepal to a foreign country or from a foreign country to Nepal, other than the scheduled flights.
 - (b) “Domestic Air Service Operating Agency” means an air service operating agency that operates scheduled flights within Nepal and the term also includes an air service operating agency that operates charter or cargo flights within Nepal other than the scheduled flights.
 - (c) “License” means a license to be issued pursuant to Rule 11 to operate an agency related to civil aviation.

- (d) “Act” means the “Civil Aviation Act, 2015 (1958)”.
- (e) "Other organizations providing training on civil aviation" means the organizations providing training on air service operations, ground handling, air cargo management, and other ground classes on air service operations.
- (f) “Agency related to civil aviation” means an agency as referred to in Rule 3.
- (g) “Authority” means the Civil Aviation Authority of Nepal.
- (h) “Fleet” means the type and number of aircrafts held by an air service operating agency.
- (i) "Ministry" means the Ministry of Culture, Tourism and Civil Aviation of the Government of Nepal.
- (j) “Approved Training Organization” means the competent agency (approved training organization) that provides trainings on personal licensing requirements to the human resources related to civil aviation.
- (k) “Commercial air service operating agency” means the agency as referred to in clause (a) of Rule 3.
- (l) “Operation Certificate” means an air operator’s certificate issued by the Authority in accordance with the prevailing laws relating to civil aviation.

Chapter- 2

Operation of Agency related to Civil Aviation

3. **Agency related to civil aviation**: Agency related to civil aviation shall be as follows:

- (a) Under commercial air service,-
 - (i) International Air Service Operating Agency,
 - (ii) Domestic Air Service Operating Agency.
- (b) An agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts,
- (c) Under training organizations,-
 - (i) Flying School,
 - (ii) Approved Training Organization,
 - (iii) Other organizations providing training on civil aviation,
 - (iv) Training organizations on repair and maintenance of aircraft and its spare parts.
- (d) Under Recreational aviation activities;
 - (i) Recreational aviation agency,
 - (ii) Recreational aviation training organizations.

Explanation: For the purposes of this clause, “Recreational aviation activities” means the recreational activities operated using ultralight, microlight, paragliding, hang gliding, sky diving or hot air balloon, which may or may not be equipped with an engine and are designed to float through air.

4. **Classification of Airlines operating agencies:** (1) The Ministry shall classify the International air service operating agencies into the following “A”, “B”, and “C” categories based on weight capacity and number of the aircrafts:-

- (a) Air service operating agency with at least three aircrafts with a maximum take-off weight exceeding one hundred and twenty-five thousand kilograms shall be classified under “A” category.
- (b) Air service operating agency with at least three aircrafts with a maximum take-off weight exceeding forty thousand kilograms and up to one hundred and twenty-five thousand kilogram shall be classified under “B” category.
- (c) Air service operating agency with at least three aircrafts with a maximum take –off weight up to forty thousand kilograms shall be classified under “C” category.

(2) If an international air service operating agency falling under “B” or “C” category as per the classification under sub-rule (1) wishes to be classified under “A” or “B” category shall submit an application to the Ministry, and if such air service operating agency is found to have fulfilled the qualification required for “A” or “B” category, the Ministry may classify it under such category.

(3) Notwithstanding anything contained in sub-rules (1) and (2), an international air service operating agency which is in operation upon obtaining license at the time of the commencement of this Regulation and falls under “B” or “C” category may be classified under “A” or “B” category so as to commence the service with less than three aircrafts determined for the respective category.

(4) The international air service operating agency classified under “A” or “B” category pursuant to sub-rule (3) must have operated the services with at least three aircrafts determined for the concerned category within four years from the date of such classification.

(5) The Ministry shall classify under the former “B” or “C” category an international air service operating agency that fails to operate the services with at least three aircrafts determined for the concerned category within the period referred to in sub-rule (4).

(6) Classification of domestic air service operating agency shall be as follows:-

- (a) Agency operating Fixed-winged aircraft.
- (b) Agency operating helicopter.

5. **Types of commercial air service:** (1) The type of service to be provided by the commercial air service operating agency shall be as follows: -

- (a) Passenger or cargo (freighter) or both services under scheduled flights,
- (b) Passenger or cargo (freighter) or both services under charter flight.

(2) In case an air service operating agency licensed to operate the service under clause (b) of sub-rule (1) wishes to operate the service under clause (a) of the said sub-rule, such an agency must submit an application along with the following documents to the Ministry for approval:-

- (a) Descriptions, specifications and type certificate of the aircrafts proposed to be operated,
- (b) Proposed flight schedule for each route,
- (c) Business plan along with financial projection as per the proposed route,
- (d) Human resource plan required for the proposed aircraft and flight operation,

- (e) Approved air fare to be charged by the air service operating agency on the relevant route,
- (f) Commitment (in the case of international air service) to fulfil the obligation under the Convention for the Unification of Certain Rules for International Carriage by Air (Montreal Convention, 1999).

(3) In case the licensed air service operating agency is found to have fulfilled the conditions under the Act, this Regulation and the prevailing law upon carrying out examination of an application received pursuant to sub-rule (2), the Ministry must grant approval to change the type of such service.

(4) Notwithstanding anything contained elsewhere in this Rule, an air service operating agency licensed to operate the service under clause (a) of sub-rule (1) shall not be required to obtain approval to operate the service under clause (b) of the said sub-rule.

6. **License to be obtained:** (1) Agency related to civil aviation under Rule 3 must obtain license from the Ministry prior to operating the services.

(2) The concerned agency related to civil aviation that wishes to obtain license must submit an application along with the following documents and descriptions to the Ministry in the format as referred to in Schedule-1:-

- (a) Copy of the company registration certificate,
- (b) Copy of the memorandum of association and articles of association of the company,
- (c) Evidence of paid-up capital maintained pursuant to Rule-7,
- (d) Personal details of the directors,

- (e) Copy of citizenship certificates of the shareholders, investors or directors,
- (f) Original copy of the police report of the shareholders, investors or directors,
- (g) Letter indicating that shareholders, investors or directors have not been blacklisted in accordance with the prevailing law,
- (h) Copy of permanent accounts number (PAN) certificate,
- (i) Financial Resource Management Plan required for service operation,
- (j) An official letter along with the signature of the competent authority to conduct the business on behalf of the agency related to civil aviation,
- (k) In case of international air service agency operating scheduled flight, a bank guarantee as referred to in Rule-10 issued by “A” class commercial bank licensed by the Nepal Rastra Bank,
- (l) Financial and technical proposal prepared by incorporating a business plan, human resources management plan, capital structure, analysis of income and expenditures, and other relevant details.

7. **Paid-up capital:** A person wishing to obtain a license for an agency related to civil aviation must incorporate a company in accordance with the prevailing law by maintaining the following paid-up capital:-

- (a) At least one billion and two hundred fifty million rupees for an agency classified under “A” category, at least one billion rupees for an agency classified under “B” category and at least seven

hundred fifty million rupees for an agency classified under “C” category pursuant to sub-rule (1) of Rule (4) that operates fixed-winged aircraft or helicopter under international air services,

- (b) At least seven hundred fifty million rupees for an agency operating fixed-winged aircraft under domestic air services and at least five hundred million rupees for an agency operating helicopter under domestic air services,
- (c) At least fifty million rupees for an agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts,
- (d) At least one hundred million rupees for flying school,
- (e) At least ten million rupees for Approved Training Organization,
- (f) At least two million rupees for other organizations providing training on civil aviation,
- (g) At least twenty million rupees for Training organization on repair and maintenance of aircraft and its spare parts,
- (h) At least two million rupees for a recreational aviation agency operating aircraft without engine and at least five million rupees for a recreational aviation organization operating aircraft with engine,
- (i) At least five million rupees for a recreational aviation training organization.

8. **Evaluation criteria:** (1) The Ministry shall constitute an evaluation committee in order to carry out an examination of the application received pursuant to Rule 6 and to submit its opinion.

(2) The committee as referred to in sub-rule (1) shall evaluate the financial and technical proposals submitted along with the application on the basis of following criteria and weightage:-

- (a) As per Schedule-2 in the case of international air service operating agency,
- (b) As per Schedule-3 in the case of domestic air service operating agency,
- (c) As per Schedule-4 in the case of flying school, Approved Training Organization or other organization providing training on civil aviation,
- (d) As per Schedule-5 in the case of recreational aviation organization,
- (e) As per Schedule-6 in the case of recreational aviation training organization,
- (f) As per Schedule-7 in the case of an agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts,
- (g) As per Schedule-8 in the case of a training organization on repair and maintenance of aircraft and its spare parts.

(3) While making evaluation pursuant to sub-rule (2), the Committee as referred to in sub-rule (1) shall recommend for license to the agency related to civil aviation securing at least seventy percent of the total marks for each proposal.

(4) The Committee referred to in sub-rule (1) must submit the report along with its recommendations within twenty-one days from the date of constitution of the Committee.

9. **Decision Relating to License:** (1) The Ministry shall, on the basis of the report of the Evaluation Committee as referred to in Rule 8, take necessary decisions on the application submitted by an agency related to civil aviation for a license pursuant to Rule 6.

(2) The Ministry may seek opinions of the Authority or other agencies as and when so required before taking decisions pursuant to sub-rule (1).

(3) The Ministry shall provide information about the decision made pursuant to sub-rule (1) to the applicant within seven working days from the date of the decision so made.

10. **Bank guarantee to be submitted:** The international air service operating agency operating scheduled flights shall submit a bank guarantee equivalent to two million and five hundred thousand rupees valid for at least three years as a security deposit.

11. **Issuance of license:** (1) The Ministry shall issue a license in a format as referred to in Schedule-9 to the agency related to civil aviation for which decision has been made to grant a license pursuant to Rule-9.

Provided that the license shall be issued only after the international air service operating agency operating scheduled flight submits a bank guarantee pursuant to Rule 10.

(2) The licensed international air service operating agency or domestic air service operating agency as referred to in sub-rule (6) of Rule 4 must operate the service through at least three aircrafts within five years of obtaining the license.

(3) It shall be the obligation of the licensed international air service operating agency to complete formalities including obtaining license from the concerned country for international flights.

12. **Term of license**: The term of the license shall be four years.
13. **Renewal of License**: (1) Agency related to civil aviation wishing to renew a license must submit an application to the Ministry at least thirty days before the expiry of the license along with the following documents and details:-
 - (a) Copy of the license,
 - (b) Details of the permitted equipment,
 - (c) Details of physical infrastructure,
 - (d) Condition of technology transfer,
 - (e) Copy of updated Tax clearance certificate,
 - (f) Audit report of the last fiscal year,
 - (g) Details of foreign and national human resources currently employed,
 - (h) Professional progress report.

(2) Notwithstanding anything contained in sub-rule (1), an agency related to civil aviation which has obtained license from the Ministry and whose license has expired at the time of commencement of this Regulation may submit an application pursuant to sub-rule (1) to the Ministry for renewal of such license within thirty days from the date of commencement of this Regulation.

Provided that a license that has expired for more than one year shall not be renewed.

(3) In case the applicant is found to comply with the conditions under the Act, this Regulation and the prevailing law upon carrying out necessary examination of an application received pursuant to sub-rules (1) or (2), the Ministry shall decide to renew the license within twenty-one days from the date of receipt of such application and inform the applicant thereof.

(4) The Ministry may seek opinions of the Authority or other agencies as and when so required before taking decision on the renewal of license.

(5) The license of an agency related to civil aviation that fails to submit an application for renewal of license pursuant to this Rule within the time-frame specified in the license shall be automatically revoked.

14. **To revoke license:** (1) The Ministry shall revoke the license issued to the agency related to civil aviation under the following circumstances :-

- (a) In case such an agency fails to commence a process for an operation certificate from the Authority within the term of license,
- (b) In case it is proved that such an agency has acted in a manner inconsistent with the Act, this Regulation and other prevailing laws,
- (c) In case such an agency commits negligence in aviation safety by violating the instructions from the Ministry,
- (d) In case such an agency fails to operate services pursuant to sub-rule (2) of Rule 11.

(2) Such an agency must be given a reasonable opportunity to defend it before revoking license pursuant to sub-rule (1).

15. **Bank guarantee to be released:** (1) An international air service operating agency operating scheduled flight must submit an application to the Ministry for the release of the bank guarantee submitted pursuant to Rule 10 after it commences the services as referred to in the license.

(2) In case it is revealed upon carrying out examination of the application received pursuant to sub-rule (1) that the service has been operated in line with the conditions specified at the time of granting license, the Ministry shall release such a bank guarantee.

16. **Forfeiture of bank guarantee:** The bank guarantee submitted pursuant to Rule 10 by an international air service operating agency operating scheduled flight shall be forfeited under the following conditions: -

- (a) In case it fails to comply with the conditions specified at the time of granting the license,
- (b) In case the license is revoked pursuant to sub-rule (5) of Rule 13,
- (c) In case the license is revoked pursuant to Rule 14,
- (d) In case of failure to comply with the instructions issued by the Ministry.

Chapter-3

Provision on Fleet and Operation Base

17. **Addition or modification of Fleet:** (1) In case an agency related to civil aviation holding a valid license wishes to add or modify its fleet, it must submit an application to the Ministry clearly indicating the details of the fleet to be added or modified along with the reasons for such addition or modification.

(2) While submitting an application for addition or modification of fleet pursuant to sub-rule (1), the following details and documents must be attached:-

- (a) Copy of license,
- (b) Copy of operation certificate in the case of an agency that is already in operation,
- (c) Number and plan of the proposed fleet,
- (d) Human resources management plan required for operation of the proposed fleet,
- (e) Operation condition of the fleet as referred to in the license,
- (f) Recognized type certificate of the proposed fleet,
- (g) Copy of updated Tax clearance certificate,
- (h) Audit report of the last fiscal year,
- (i) Financial management plan,
- (j) Document related to business plan.

(3) The Ministry may seek opinions of the Authority or other agencies as and when so required on the application received pursuant to sub-rule (1).

(4) The Ministry may give approval to add or modify the fleet after making analysis of the need and rationality of the fleet based on the details and documents received pursuant to sub-rule (2) and opinion as well in case an opinion is sought pursuant to sub-rule (3).

(5) The concerned air service shall acquire and operate the approved fleet within two years from the date of approval for addition or modification of fleet as provided pursuant to sub-rule (4).

(6) In case the concerned air service fails to operate by adding or modifying the fleet within the period referred to in sub-rule (5), such an air service may submit an application to the Ministry for an extension of such

period, and in case the Ministry finds it appropriate to extend the period upon carrying out examination of the application so received, it may extend the period for addition or modification of fleet by a maximum period of one year.

(7) In case an air service fails to acquire and operate the fleet within the period referred to in sub-rule (4) or within such a period so extended pursuant to sub-rule (6), the approval so given for addition or modification of such fleet shall be automatically revoked.

18. **Route may be added:** (1) In case a licensed air service operating agency wishes to add route, it must submit an application to the Ministry setting out the contents thereof along with the following details and documents: -

- (a) Copy of license,
- (b) Copy of operation certificate,
- (c) Operation condition of fleet as referred to in license,
- (d) Copy of updated Tax clearance certificate,
- (e) Audit report of the last fiscal year,
- (f) Details of the route to be added.

(2) In case it is revealed upon carrying out examination of the application received pursuant to sub-rule (1) that the applicant operates the service upon complying with the conditions as specified at the time of granting the license, the Ministry may grant an approval for addition of route.

19. **Designation of operation base:** (1) The Ministry while granting approval shall designate the operation base of the agency related to civil aviation upon making evaluation of the aviation infrastructure, service need and airport traffic capacity.

(2) In case the operation base designated pursuant to sub-rule (1) needs to be added or changed, the agency related to civil aviation must submit an application to the Ministry along with the reasons and rationality for such change along with the following details and documents: -

- (a) Copies of license and operation certificate,
- (b) Documents proving rationality for addition or change of the operation base,
- (c) Copy of updated Tax clearance certificate,
- (d) Statement of income and expenditures of agency related to civil aviation.

(3) The Ministry may seek opinions of the Authority or other agencies as and when so required for evaluation of the details and documents received pursuant to sub-rule (2).

(4) The Ministry may add or change the operation base on the basis of the details and documents received pursuant to sub-rule (2) and opinion as well if such an opinion is sought pursuant to sub-rule (3).

Chapter-4

Overflying, air service designation and flight operation permission

20. **Overflying:** (1) In case an air service operating agency requires a recommendation from the Ministry for the export or import of an aircraft—whether through purchase, sale, lease, or any other arrangement—or for the use of foreign airspace for other purposes, the agency must submit an application to the Ministry requesting for an over-flight recommendation.

(2) While requesting for recommendation pursuant to sub-rule (1), the following details and documents must be submitted: -

- (a) Details of the aircraft overflying,
- (b) Recommendation from the Authority,
- (c) Details of date and route of flight,
- (d) Details of the flight crew involved in overflying,
- (e) Certificate of airworthiness for export in case an overflying is requested due to sale of an aircraft,
- (f) Updated Tax clearance certificate,
- (g) Copy of operation certificate,
- (h) Copy of license.

(3) In case the Ministry finds the matter to be reasonable upon examining the application received pursuant to sub-rule (1), it shall make a decision regarding the over-flight recommendation and forward the recommendation to the civil aviation regulatory authority of the concerned country through diplomatic channels and also inform the air service operating agency that submitted the application.

21. **Airlines Designation and operating authorization:** (1) The Ministry, in accordance with this Regulation, may grant airlines designation to an air service operating agency registered in Nepal that wishes to operate international flights, and may grant operating authorization to a foreign air service operating agency wishing to operate flights to Nepal. Such airline designation or operating authorization must be carried out in accordance with the bilateral air service agreement.

(2) An air service operating agency intending to obtain airline designation or operating authorization pursuant to sub-rule (1) shall submit an

application to the Ministry at least sixty days prior to the commencement of scheduled flight along with the following details and documents: -

- (a) Copy of company registration certificate,
- (b) Copies of citizenship certificates of shareholders or members of the board of directors of the air service operating agency,
- (c) Address, phone, fax, telex and email address of the head office of an air service operating agency,
- (d) Copy of operation certificate,
- (e) Copy of license,
- (f) Document certifying the approval of operation manual by the regulatory body,
- (g) Comprehensive details of aircraft equipment,
- (h) Documents certifying ownership of aircraft,
- (i) Evidence of agreement authorizing to operate flight on the routes by the aircraft acquired through lease purchase,
- (j) Contact details of the officials responsible for airworthiness, licensing, flight operation and accident investigation,
- (k) Comprehensive program on aviation security and flight safety of the air service operating agency (in the format as referred to in Annex- 17 of the Convention on International Civil Aviation concluded in Chicago, United States of America on 7 December, 1944)
- (l) Official certificate of the functions, duties and powers of the Chief Executive Officer of the concerned air service operating

agency in accordance with the relevant law relating to that agency,

- (m) Details of liability related to passengers, baggage, and third parties, along with a certified copy of the insurance policy subscribed to by the airline,
- (n) Certified signature of the representative of the concerned air service in the case of foreign air service operating agency (certified by Chief Executive Officer of the concerned air service),
- (o) Approved airfare to be charged by the air service on the concerned route,
- (p) Document certifying agreement on management if so done with other air services.

(3) A formal letter designating the foreign air service operating agency, wishing to operate flights to Nepal, by the concerned country to operate flights to Nepal must be received through diplomatic channels.

(4) The documents submitted by a foreign air service operating agency wishing to operate flights to Nepal pursuant to clauses (a),(b),(c),(d),(e), (g),(h) and (i) of sub-rule (2) must be certified by the regulatory authority related to civil aviation of the concerned country.

(5) An agency that has obtained operating license pursuant to sub-rule (1) must also submit the document indicating authorization from the civil aviation regulatory authority of the concerned country when submitting an application to the Ministry for addition or change of route.

22. **Provision on codeshare permission:** (1) Any air service operating agency, after obtaining permission from the Ministry, may operate codeshare flight.

Explanation: For the purpose of this Rule “codeshare flight” means a flight in which two or more air service operating agencies provides service in an integrated form to the passengers by exchanging codes and dividing roles and responsibilities of each air service operating agency through mutual agreement.

(2) An air service operating agency wishing to obtain permission pursuant to sub-rule (1) must submit an application to the Ministry along with the following details and documents: -

- (a) Copy of an agreement on codeshare flight concluded between air service operating agencies,
- (b) Details of proposed route and flight schedule for codeshare flight,
- (c) Clear job description of each air service operating agency wishing to operate codeshare flight,
- (d) Documents that clearly indicates obligation of each air service operating agency wishing to operate codeshare flight.

(3) In case the Ministry finds it appropriate to grant permission upon carrying out examination of the application received pursuant to sub-rule (2), it may grant permission to such air service operating agency for codeshare flight.

(4) Permission for codeshare flight as referred to in sub-rule (3) shall be granted on the basis of the bilateral air service agreement concluded with concerned country.

Chapter- 5

Miscellaneous

23. **Recommendation for work permit, labour permit and non-tourist visa:** (1)

If a licensed agency related to civil aviation needs to employ foreign human resources, it must submit an application to the Ministry for recommendation of work permit, labour permit and non-tourist visa along with the following details and documents:-

- (a) Details and documents that specify reasons and rationale for foreign human resources,
- (b) Copy of a passport of foreign human resources,
- (c) Copy of tourist visa of foreign resources,
- (d) Appointment letter of foreign human resources and copy of a contract concluded with them,
- (e) Copy of license related to the service of technical human resources in the case of such human resources,
- (f) Copy of an appointment process (of the advertisement published in the daily national newspaper of Nepal for fulfilment of vacancy) in the case of foreign human resources appointed to work for Nepali air service company,
- (g) Personal details disclosing the identity of foreign human resources,
- (h) Details of the work progress in case such foreign human resources to be employed has previously worked in Nepal as well,
- (i) Copy of a license of the agency related to civil aviation submitting the application,

- (j) A plan for the replacement of foreign human resources for whom recommendation for work permit, labour permit and non-tourist visa is sought more than once.

(2) The applicant may submit documents as referred to in clause (c) of sub-rule (1) to the Ministry prior to obtaining recommendation for non-tourist visa.

(3) The Ministry may, as and when so required, seek a recommendation from the Authority on rationality of the number of human resources for whom a recommendation has been sought pursuant to sub-rule (1).

(4) In case the content of the application is found reasonable upon conducting study and examination of the details and document received pursuant to sub-rule (1) and of the recommendation of the Authority sought pursuant to sub-rule (3), the Ministry may make recommendation to the concerned authorities for work permit, labour approval and non-tourist visa for the concerned foreign human resources for a maximum period of one year in accordance with the prevailing law.

24. **Transaction to be carried out through General Sales Agent (G.S.A):** (1) A foreign air service operating agency wishing to operate flight to Nepal must carry out all commercial transactions to be conducted in Nepal through a General Sales Agent (G.S.A) registered in Nepal in accordance with the prevailing laws.

(2) A foreign air service operating agency wishing to operate flight to Nepal must submit an application to the Ministry for obtaining airline designation or operating authorization as referred to in Rule-21 through General Sales Agent (G.S.A),

(3) An air service operating agency operating flights and conducting commercial business without General Sales Agent (G.S.A) prior to the commencement of this Regulation must designate the General Sales Agent (G.S.A) within one year from the date of commencement of this Regulation and inform the Ministry thereof.

Explanation: For the purpose of this Rule, the term “General Sales Agent (G.S.A)” means a representative designated by foreign airlines in Nepal for its official representation and commercial transactions.

25. **Change of the name of agency:** (1) If a licensed agency related to civil aviation wishing to change its name must submit an application to the Ministry along with the following details and documents: -

- (a) Decision of the board of directors of the agency related to civil aviation,
- (b) A letter related to updated share records issued by the Office of Company Registrar,
- (c) Objectives and reason to change the name,
- (d) Updated copy of Tax Clearance certificate,
- (e) Copy of permanent accounts number (PAN) certificate,
- (f) Copy of license.

(2) In case it is found to be appropriate to change the name upon carrying out examination of the application received pursuant to sub-rule (1), the Ministry shall grant approval to change the name of the concerned agency.

(3) An approval shall not be given to change the name of an agency related to civil aviation under this Rule in case it carries double meaning, does

not align with the objectives of the agency or resembles with the name of another similar agency.

(4) Name of such agency shall be changed by the Office of the Company Registrar in accordance with the prevailing law on the basis of the recommendation of the Ministry as per this Rule.

26. **Annual Report**: A licensed agency related to civil aviation must submit an annual report of its activities to the Ministry within three months from the end of the fiscal year.
27. **Monitoring and Inspection may be done**: (1) The Ministry may, by developing annual plan as and when so required, carry out monitoring and inspection on the activities of the licensed agency related to civil aviation and the services provided by such agency and issue necessary instructions.

(2) It shall be the duty of the concerned agency related to civil aviation to comply with the instructions as issued pursuant to sub-rule (1).

Schedule-1

(Related to sub-rule (2) of Rule 6)

Format of application to be submitted for license

To,

The Ministry of Culture, Tourism and Civil Aviation,
Singha Durbar, Kathmandu.

I have hereby submitted this application setting out the following particulars in order to obtain the license for operation of an agency related to civil aviation as follows.

1. Type of agency related to civil aviation to be operated (to indicate any one out of the followings):
 - (a) International Air Service (fix- winged/helicopter)
 - (1) Scheduled flight
 - (2) Chartered flight
 - (3) Cargo flight
 - (b) Domestic Air Service (fixed winged/helicopter)
 - (1) Scheduled flight
 - (2) Chartered flight
 - (3) Cargo flight
 - (c) An agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts,
 - (d) Flying school,
 - (e) Approved Training Organization,

- (f) Other organizations providing training on civil aviation,
- (g) Training organizations on repair and maintenance of aircraft and its spare parts,
- (h) Recreational aviation activities,
- (i) Training organizations on recreational aviation.

2. Particulars of agency related to civil aviation and its director:

- (a) Name and address of the agency:
- (b) Name, address and designation of the principal person authorized to transact on behalf of the agency:
- (c) Name and address of the shareholders or investors:

3. Number and type of equipment:

4. Method of acquisition of equipment:

5. Source and description of investors:

6. Description of air service route (with regard to the air service operating agency):

Of the applicant,-

Name:

Signature:

Address:

Note: The following fees shall be charged when submitting an application for license:

- (a) Fifty thousand rupees for the international air service operating agency,
- (b) Ten thousand rupees for domestic air service operating agency,

- (c) Five thousand rupees for the agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts,
- (d) Five thousand rupees for flying school,
- (e) Five thousand rupees for Approved Training Organization,
- (f) Five thousand rupees for other organizations providing training on civil aviation,
- (g) Five thousand rupees for training organization on repair and maintenance of aircraft and its spare parts,
- (h) Five thousand rupees for recreational aviation agency,
- (i) Five thousand rupees for training organization on recreational aviation.

Schedule-2

(Related to clause (a) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for international air service operation license

1. Quality of the proposal: 20 marks

(a) Traffic projection: 5 marks

(1) World traffic projection: 1 mark

(2) Asia Pacific traffic projection: 1 mark

(3) SAARC region traffic projection: 1 mark

(4) Projection of traffic in Nepal: 2 marks

(b) Market analysis: 5 marks

(1) Size of air service market 2.5 marks

Increase in international air traffic of Nepal from that air service

Year											
Passengers											
Cargo											

(2) Market analysis as per the proposed route 2.5 marks

Increase in air traffic from the proposed route

Year											
Passengers											
Cargo											
Gate way to Nepal											

(c) Route analysis as per the aircraft: 5 marks

(1) Aircraft compatible with the route: 5 marks

(2) Aircraft not compatible with the route: 2.5 marks

(d) Business plan: 5 marks

(1) Vision, target, objectives and strategies: 1 mark

(2) Operation plan:

4 marks

(i) Route schedule as per the proposed aircraft: 1 mark

Type of aircraft

Route	Flight frequencies per week	First year	Second year	Third year	Fourth year	Fifth year

Note: A detailed breakdown of the flight schedule and aircraft operating hours must be provided.

(ii) Route traffic projection:

1 mark

Route	First year	Second year	Third year	Fourth year	Fifth year

Note: Annual projection of scheduled passenger and cargo traffic by route must be provided.

(iii) Profit analysis:

2 marks

Route	First year	Second year	Third year	Fourth year	Fifth year

(1) Analysis of operation cost as per the aircraft

Type of aircraft	Chargeable hour per week or per month	Cost per block hour

(2) Profit analysis as per the route (five years)

Aircraft	First year	Second year	Third year	Fourth year	Fifth year
First					
Second					

Third					
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Note: Detail analysis of profit must be provided.

2. Size of investment and financial condition: 20 marks

(a) Size of investment and financial source: 10 marks

(1) Minimum requirement as per the aircraft: 4 marks

	Investment requirement			Financial source		Remarks
	First aircraft	Second aircraft	Third aircraft	Equity	Bank loan	
Aircraft						
Other capital expenses						
Expenses prior to operation						
Working capital						

(2) Capital structure: 6 marks

(i) Authorized capital:

(ii) Issued Capital:

(iii) Paid-up capital:

(1) First installment:

(2) Second installment:

(iv) Equity to be held by shareholders/investors:

(v) Pay-back period:

(b) Necessary documents/evidence: 10 marks

(1) Letter of commitment for financial investment

(2) Structure of investment: 3 marks

(i) Nepali investor (100%): 3 marks

(ii) In the case of joint venture with foreign investor: 2 marks

- (3) Properties and liabilities: 2 marks
3. Detail information of quality human resources/individual details of proposed human resources and letter of their consent/size of investment and financial conditions: 10 marks
- (a) Plan of human resources: 2.5 marks
- (1) Number and type of human resources: 0.30 marks
- | | | | |
|----------------|------------------|-----------------|--------------------|
| Immediate term | Short-term | Medium-term | Long-term |
| Up to one year | Up to five years | Up to ten years | Up to twenty years |
- Certifying staff (B1)
- Certifying staff (B2)
- Non-certifying staff
- (2) Flight operation human resources: 0.70 marks
- (cabin crew and dispatcher)
- (i) Type-rated instructor pilot: 0.20 marks
- (ii) Type-rated captain: 0.25 marks
- (iii) Type-rated co-pilot: 0.15 marks
- (iv) Flight dispatcher
- (License obtained): 0.10 marks
- (3) Flight safety: 0.30 marks
- (4) Marketing: 0.25 marks
- (5) Finance: 0.25 marks
- (6) Administration: 0.20 marks
- (7) Human resources working in quality assurance 0.5 marks
- (b) Human resources training plan: 2.5 marks
- (1) Cockpit crew: 0.6 marks
- (2) Cabin crew: 0.25 marks
- (3) Flight dispatcher: 0.25 marks

- (4) Aircraft maintenance technician (A.M.T.) 0.6 marks
- (5) Aircraft maintenance technician endorsement
(A.M.T. endorsement): 0.25 marks
- (6) Type conversion course: 0.25 marks
- (7) Marketing: 0.3 marks
- (c) Detailed information of proposed human resources: 1.5 marks
- (d) Letter of consent of human resources: 1 mark
- (e) Academic qualification, experience and sufficiency of the required human resources, and method and process of fulfilment of vacancy: 2.5 marks
- (Specify experience and process as per the human resources)
- (1) Engineering human resources
- Academic qualification and experience: 0.75 marks
- (i) Experience of five years or more: 0.75 marks
- (ii) Experience less than five years: 0.5 marks
- (2) Operation human resources
- Academic qualification and experience: 0.75 marks
- (i) Experience of five years or more: 0.75 marks
- (ii) Experience less than five years: 0.5 marks
- (3) Flight safety and human resources working in quality assurance
- Academic qualification and experience: 0.5 marks
- (i) Experience of five years or more: 0.5 marks
- (ii) Experience less than five years: 0.25 marks
- (4) Marketing, financial and administrative human resources
- Academic qualification and experience: 0.5 marks
- (i) Experience of five years or more: 0.5 marks
- (ii) Experience less than five years: 0.25 marks

4. Structure including detailed institutional plan/working liability: 10 marks

- (a) Institutional structure: 1.5 marks
- (b) Rule/policy for employees: 1.5 marks
- (c) Operation and engineering guidelines/operation and repair and maintenance plan: 1.5 marks
- (d) Quality assurance, security inspection and monitoring system: 0.5 marks
- (e) Arrangement of main repair and maintenance for maintenance of aircraft and its spare parts: 0.5 marks
- (f) Duty and liability: 1.75 marks
 - (1) Department of operation
 - (2) Operation director
 - (3) Chief pilot
 - (4) Flight security officer
 - (5) Captain
 - (6) Pilot
 - (7) Flight dispatcher
- (g) Duty and liability: 1.75 marks
 - (1) Department of Engineering
 - (2) Quality assurance director
 - (3) Repair and maintenance manager
 - (4) Engineering plan manager
 - (5) Repair and maintenance Control Manager
 - (6) Engineering store manager
- (h) Flight operation service: 1 mark
 - (1) Climate/weather service
 - (2) Flight/crew program
 - (3) Flight watch service

5. Number of aircraft, aircraft year/hour, condition of cycle, manufacture serial no. and other technical details: 20 marks
 - (a) Arrangement of aircraft maintenance: 4 marks
 - (1) Own maintenance arrangement: 4 marks
 - (2) Repair and maintenance in Asia Pacific: 3 marks
 - (3) Repair and maintenance outside Asia Pacific: 2 marks
 - (b) Type of aircraft: 4 marks
 - (1) In case more than three wide body jet aircrafts are supplied: 4 marks
 - (2) In case three wide body jet aircrafts are supplied: 3 marks
 - (3) In case three or more jet aircrafts are supplied: 2 marks
 - (c) Number of aircraft: 4 marks
 - (1) In case more than three jet aircrafts are supplied: 4 marks
 - (2) In case three jet aircrafts are supplied: 2 marks

(Note: The company must have at least three aircrafts at all times)
 - (d) Letter of consent by aircraft manufacturer or supplier for supply of aircraft: 4 marks
 - (e) Year and model of manufacture of aircraft: 4 marks
 - (1) Purchase of new (brand new) aircraft: 4 marks
 - (2) Direct purchase (outright purchase): 3 marks
 - (3) Lease purchase: 2 marks
 - (4) Lease: 1 marks
6. Ownership: 20 marks
 - (a) Full purchase: 20 marks
 - (b) Lease purchase: 10 marks
 - (c) Lease, Nepali Registration (L.N.R): 7 marks
 - (d) Lease, Foreign Registration: 5 marks

For evaluation of description of aircraft (type, age, number)

Aircraft	Type and number of existing aircraft	Age and number of proposed aircraft	(Type, age, number) Year										

Note: Airline, aircraft and performance of aircraft and other descriptions must be provided along with the proposal.

Schedule-3

(Related to clause (b) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for domestic air service operation license

1. Commercial aspect: 5 marks

(a) Market analysis: 1.5 marks

(on the ground of existing air traffic)

(1.5 marks for market analysis of a period of last 4 years)

Zone						Share of Nepal	Remarks
Tribhuvan International Airport (Towards domestic)	Cargo						
	Passengers						
Service operation zone or route 1	Cargo						
	Passengers						
Service operation zone or route 2	Cargo						
	Passengers						
Service operation zone or route 3	Cargo						
	Passengers						
Service operation zone or route 4	Cargo						
	Passengers						

(b) Aircraft movement (Tribhuvan International Airport): 1 mark

(Maximum mark for 4 years is 1)

(Of the last four years)

Year					Total	Remarks
Arrival						
Departure						
Total						

(c) Aircraft movement (of the zone requested): 1 mark

(Maximum mark for market analysis for a period of 4 years is 1)

Year					Total	Remarks
Arrival						

Departure						
Total						

(d) Commercial plan (of every sector): 1.5 marks

(Maximum mark for 10 sectors is 1.5)

Description (aircraft)	Flight schedule per week	Flight schedule per year	Seat occupancy/capacity		Remarks
Type of aircraft					
Seat capacity					
Code sharing and other agreement					
Total					

2. Financial aspects: 15 marks

(a) Capital structure: 2.5 marks

(1) Paid-up capital of one billion rupees for Fixed-winged aircraft operating agency and seven hundred fifty million rupees for helicopter operating agency: 2.5 marks

(2) Paid capital of seven hundred fifty million rupees for Fixed-winged aircraft operating agency and five hundred million rupees for helicopter operating agency: 1.5 marks

Year						Remarks
Authorized Capital						
Issued Capital						
Paid-up Capital						
Working Capital						

Note: An official letter for each source must be submitted.

(b) Statement of expenditures: 2.5 marks

Subject	Expenditures
---------	--------------

	First aircraft	Second aircraft	Third aircraft	Remarks
Purchase of aircraft				
Other capital expenditure				
Operation expenditure				
Management expenditure				
Maintenance expenditure				
Human resource Development				
Other				
Total				

Note: Detail study and analysis for every expenditure must be submitted.

(c) Analysis of expenditures and income: 4 marks

(1) Expenditures: 2 marks

Type of aircraft	Block hour	Expenditures per hour	Expenditures per year	Remarks

(2) Income: 2 marks

Subject	First year	Second year	Third year	Fourth year	Fifth Year	Remarks
Passengers						
Cargo						

Subject	Year	Year	Year	Year	Year	Remarks
Expenditure						
Income						

Profit/loss						
-------------	--	--	--	--	--	--

(d) Statement of liability: 6 marks

- (1) In case an assurance of source of funds
to be self-invested by the Nepali Investor is submitted: 6 marks
- (2) In case there is bank guarantee or foreign investment: 3 marks

Statement of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

3. Technical aspect: 15 marks

(a) Details of director/promoter/chief managerial office-bearer

/chief technical office-bearer: 6 marks

(1) Experience of operation of air service: 6 marks

(2) Experience of operation of other business: 2 marks

Name:

Address:

Qualification/experience:

Rating Certificate:

Mandate:

Note: An individual details of the office-bearers concerned must be submitted.

(b) Expert technician: 5 marks

(1) In case the details of domestic human resources
having qualifications for operation of
the concerned air services are submitted: 5 marks

(2) In case the details of foreign human resources
having qualifications for operation of
the concerned air services are submitted: 4 marks

(3) In case the service is operated upon providing training to the human resources:

1 mark

Competency Classification	Human resources required	Qualification/ rating	Number	Method of fulfilment	Domestic	Foreign
Operation of industry						
Repair and maintenance						
Flight safety and quality control						
Total						

(c) Equipment plan:

2 marks

(1) Purchase of aircraft with a manufacturing age less than 5 years:

2 marks

(2) Purchase of aircraft with a manufacturing age between 5 to 15 years:

1 mark

Equipment, Type and description	Seat capacity	Engine			Date of manufacture	Cycle consumption	Remarks
		1	2	3			

(d) Ownership and method of purchase:

2 marks

(1) In case the agency purchased at the beginning:

2 marks

(2) Purchase in installments:

1.5 marks

(3) Lease (Rent):

1 mark

Description of equipment	Full purchase	Purchase in installments	Lease purchase (Rent)	Registration	Flight safety agreement in the case of foreign registration	Year or time of purchase	Remarks

4. Institutional plan and capacity:

15 marks

(a) In case the institutional structure is found to be suitable

for operation of aircraft:

3 marks

(b) In case there is clear policy and rule:

3 marks

(1) Clear policy:

1.5 marks

(2) Clear rule:

1.5 marks

(c) Flight operation agency:

3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(d) Repair management (organization):

3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(e) Flight safety and quality control organization:

3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

Schedule-4

(Related to clause (c) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for license of a flying school, Approved Training Organization or other training organizations related to civil aviation operation

1. Commercial aspect:

5 marks

(a) Market Analysis:

1.5 marks

(on the ground of current air traffic/aircraft/condition of air service agency)

(of the last five years)

Existing air traffic

Zone						Remarks
Tribhuvan International Airport (Towards domestic)	Movement					
	Passenger					
Service operation zone or route 1	Movement					
	Passenger					
Service operation zone or route 2	Movement					
	Passenger					
Service operation zone or route 3	Movement					
	Passenger					
Service operation zone or route 4	Movement					
	Passenger					

Condition of aircrafts in Nepal

(of the last five years)

Details					total	remarks
..... year						
..... year						

..... year						
..... year						
..... year						
Total						

Condition of existing air service operating agency
(for the last five years)

Details						Total	Remarks
..... year							
.....year							
.....year							
.....year							
.....year							
Total							

(b) Condition of existing flying school in Nepal and other Countries: 1.5 marks
(for the last five years)

Details						Total	Remarks
..... year							
.....year							
.....year							
.....year							
.....year							
Total							

(c) Business plan: 2 marks

(In case an analysis is done as to how many trainees are needed for properly operating the company)

Type of training	Maximum number of trainees per class	Trainees: Instructor per class	Projected number of trainees per year	Remarks
Total				

2. Financial aspect: 15 marks

(a) Capital structure: 2.5 marks

(1) Of the paid-up capital of one hundred fifty million rupees in the case of flying school, fifteen million rupees in the case of Approved Training Organization and three million and five hundred thousand rupees in the case of other training organizations related to civil aviation: 2.5 marks

(2) Of the paid-up capital of one hundred million rupees in the case of flying school, ten million rupees in the case of Approved Training Organization and two million rupees in the case of other training organizations related to civil aviation: 1.5 marks

Year						Remarks
Authorized capital						
Issued Capital						
Paid-up capital						
Working capital						

Note: An official letter for each source must be submitted.

(b) Statement of Expenditures: 2.5 marks

Subjects	Expenditure			
	First equipment	Second equipment	Third equipment	Remarks
Purchase of aircraft				
Other capital expenditures				
Operation expenditures				
Management expenditures				
Maintenance expenditures				
Human resources Development				
Other				
Total				

Note: Detail study and analysis of every expenditure must be submitted.

(c) Analysis of expenditures and income: 4 marks

(1) Expenditures: 2 marks

Type of equipment	Expenditures per year	Remarks

(2) Income: 2 marks

Subject	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Remarks
Passenger						

Cargo						
-------	--	--	--	--	--	--

Subject	Year	Year	Year	Year	Year	Remarks
Expenditures						
Income						
Profit/Loss						

(d) Statement of Liability: 6 marks

(1) In case an assurance of source of funds to be self-invested by the Nepali investor is submitted: 6 marks

(2) In case there is a bank guarantee or foreign investment: 3 marks

Statement of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

3. Technical aspect: 15 marks

(a) Details of director/promoter/chief managerial office-bearer/ chief technical office-bearer: 6 marks

(1) In case it possesses technical experience of operation of air service of 10 years or more: 6 marks

(2) In case it possesses technical experience of operation of air service of 5 years or more and less than 10 years: 3 marks

(3) Other business operation experience : 2 marks

Name:

Address:

Qualification/experience:

Rating Certificate:

Mandate:

Note: Personal details of the concerned office-bearer must be submitted.

(b) Expert technician: 3 marks

(1) In case the concerned human resources possess experience on air service of 10 years or more: 3 marks

(2) In case the concerned human resources possess experience on air service of 5 years or more and less than 10 years: 2 marks

Competency Classification	Required human resource	Qualification/ rating	Number	Method of fulfilment of vacancy	Domestic	Foreign
Training manager						
Quality manger						
Instructor						
Other						
Total						

(Previous experience and rating/license must be submitted)

(c) Training plan along with module: 3 marks

(3 marks in case a company produces a comprehensive training curriculum and plan along with the time line)

(d) Practical training/on the job training plan: 1.5 marks

(1) In case a company to set-up its workshop: 1.5 marks

(2) In case evidence of an agreement concluded with air service operating agency is produced: 1 mark

(e) Equipment plan for practical training/ on the job training: 1.5 marks

(1.5 marks in case the organization provides training along with simulator and live aircraft)

4. Institutional plan and capacity: 15 marks
- (a) In case the institutional structure is found to be suitable for operation of flying school: 3 marks
- (b) In case there is clear policy and rule: 3 marks
- (1) For clear policy: 1.5 marks
- (2) For clear rules: 1.5 marks
- (c) Qualification, experience and accountability of accountable manager, training manager or quality manager: 3 marks
- (3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are produced)
- (d) Accountability, experience and qualification of key persons among instructors: 3 marks
- (3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are produced)
- (e) In case layout and other details of flying school is produced: 3 marks
- (details of facilities: 3 marks if classroom, examination hall, workshop, management office, library, security of question and answer sheet, practical training facility are produced)

Schedule-5

(Related to clause (d) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for license of operation of recreational aviation agency

1. Commercial aspect:

5 marks

(a) Market analysis:

1.5 marks

(on the ground of current situation of movement of tourists)

(maximum 10 tourism areas of the last five years)

Year	Number of movement of tourists	Movement in tourism areas	Commercial area	Remarks

(b) Condition of recreational aviation agency operated by other licensed agencies:

2 marks

(1) In case status of the last five years is submitted, maximum

1 mark

(2) In case market condition of the area demanded is submitted,

maximum

1 mark

Year	Field of operation	Condition of equipment	Remarks

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Details	Flight zone	Landing zone	Total	Remarks

(c) Projected business plan:

1.5 marks

Details (Equipment)	Flight Time	Number of flight per year	Number of sightseeing passenger per year	Annual capacity	Remarks
Ultralight					
Microlight					
Paragliding (Tandem)					
Paragliding (solo)					
Hang glider					
Sky diving					
Hot air balloon					

(2) Financial aspect:

15 marks

(a) Capital structure:

2.5 marks

(1) Of the paid-up capital of three million and five hundred thousand rupees for recreational aviation agency operating non-engined aircraft and seven million and five hundred thousand rupees for recreational aviation agency operating powered aircraft:

2.5 marks

(2) Of the paid capital of two million rupees for recreational aviation agency operating non-engine aircraft and five million rupees for recreational aviation agency operating powered aircraft:

1.5 marks

Year						Remarks
Authorized capital						
Issued capital						
Paid-up capital						
Working capital						

Note: An official letter of every source must be submitted

(b) Expenditures detail:

2.5 marks

Subject	Expenditures			
	First equipment	Second equipment	Third equipment	Remarks
Purchase of aircraft				
Other capital expenditure				
Operation expenditure				
Management expenditure				

Maintenance expenditure				
Human resource development				
Other				
Total				

Note: Detail study and analysis of every expenditure must be submitted.

(c) Analysis of expenditures and income:

4 marks

(1) Expenditures:

2 marks

Type of equipment	Expenditures per year	Remarks

(2) Income:

2 marks

Subject	First Year	Second Year	Third Year	Fourth Year	Fifth Year	Remarks
Passenger						
Cargo						

Nepal Law Commission

Subject	Year	Year	Year	Year	Year	Remarks
Expenditures						
Income						
Profit/Loss						

(d) Statement of liability: 6 marks

(1) In case an assurance of source of funds to be self-invested by the Nepali investor is submitted: 6 marks

(2) In case there is bank guarantee or foreign investment: 3 marks

Statement of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

(3) Technical aspect: 15 marks

(a) Details of director/promoter/chief managerial office-bearer/chief technical office-bearer: 6 marks

(1) Experience of operation of recreational aviation agency: 6 marks

(2) Experience of operation of other business: 2 marks

Name:

Address:

Qualification/experience:

Rating Certificate:

Mandate:

Note: Personal details of the concerned office-bearer must be submitted.

(b) Expert technician: 5 marks

(1) In case the details of domestic human resources having qualifications for operation of the concerned recreational aviation agency are submitted: 5 marks

(2) In case the details of foreign human resources having qualifications for operation of the concerned recreational activities are submitted: 4 marks

(3) In case the service is operated upon providing training to the human resources: 1 mark

Competency Classification	Human resources required	Qualification/Rating	Number	Method of fulfilment of vacancy	Domestic	Foreign
Operation of flight						
Ground support/maintenance						
Communication/contact/coordination						
Total						

(c) Equipment plan: 2 marks

(1) Purchase of equipment with manufacturing age of less than 5 years: 2 marks

(2) Purchase of equipment with manufacturing age of 5-15 years: 1 mark

Equipment, type and description	Seat capacity	Manufacturing company and date	Remarks

(d) Ownership and method of procurement: 2 marks

(1) In case an agency makes full purchase at the beginning: 2 marks

(2) Purchase in installment: 1.5 marks

(3) Lease (Rent): 1 mark

Equipment, type and description	Full purchase	Purchase in installment	Lease purchase (Rent)	In case an agreement is concluded	Remarks

(4) Institutional plan and capacity: 15 marks

(a) In case an institutional structure is found eligible to operate recreational aviation service: 3 marks

(b) In case there is clear policy and rule: 3 marks

(1) Clear policy: 1.5 marks

(2) Clear rules: 1.5 marks

(c) Flight operating agency:

3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(d) Ground support/maintenance (Pre-flight arrangements) agency: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(e) Communication/Contact Co-ordination agency:

3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

Schedule-6

(Related to clause (e) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for license of operation of recreational aviation training organization

1. Commercial aspect: 5 marks

(a) Market analysis: 1 mark

(on the ground of current situation of movement of tourists)

(maximum 10 tourism areas of the last five years)

Year	Number of movement of tourists	Movement in tourism areas	Commercial area	Remarks

(b) Condition of recreational aviation training organization and recreational aviation agency operated by other licensed agencies: 1.5 marks

(maximum 1.5 marks, in case situation of the last five years is submitted)

Year	Field of operation	Condition of equipment	Remarks

(c) Consumption status of technical human resources intended to be produced:

1 mark

(maximum 1 marks, in case market status of technical human resources intended to be produced is submitted)

Details	Domestic human resources	Foreign human resources	Total	Remarks

(d) Projected business plan:

1.5 marks

Details (Equipment) Flight	Time	Number of human resources produced per year	Annual capacity	Remarks
Ultralight				
Microlight				
Paragliding (Tandem)				
Paragliding (solo)				
Hang glider				

Sky diving				
Hot air balloon				

2. Financial aspect: 15 marks

(a) Capital structure: 2.5 marks

(1) Of the paid-up capital of seven hundred fifty million: 2.5 marks

(2) Of the paid-up capital of five million: 1.5 marks

Year						Remarks
Authorized Capital						
Issued Capital						
Paid-up Capital						
Working Capital						

Note: An official letter of each source must be submitted.

(b) Detail of expenditures: 2.5 marks

Subject	Expenditures			
	First equipment	Second equipment	Third equipment	Remarks
Purchase of aircraft				
Other capital expenditures				
Operation expenditures				
Management expenditures				

Maintenance expenditures				
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Nepal Law Commission

Human resources Development				
Other				
Total				

Note: Detail study and analysis of each expenditure must be submitted.

(c) Analysis of expenditures and income: 4 marks

(1) Expenditures: 2 marks

Types of equipment	Expenditures per year	Remarks

(2) Income: 2 marks

Subject	First year	Second year	Third year	Fourth year	Fifth year	Remarks
Passenger						
Cargo						

Subject	Year	Year	Year	Year	Year	Remarks
Expenditures						
Income						
Profit/Loss						

(d) Statement of liability: 6 marks

(1) In case an assurance of source of funds to be self-invested by the Nepali Investor is submitted: 6 marks

(2) In case there is bank guarantee or foreign investment: 3 marks

Details of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

3. Technical aspect: 15 marks

(a) Details of director/promoter/ chief managerial office-bearer/chief technical office-bearer: 6 marks

(1) Experience of operation of recreational aviation agency: 6 marks

(2) Experience of operation of other business: 2 marks

Name:

Address:

Qualification/experience:

Rating Certificate:

Mandate:

Note: Personal details of the concerned office-bearers must be submitted.

(b) Technical expert: 5 marks

(1) In case the details of domestic human resources having qualifications for operation of the concerned recreational aviation agency are submitted:

5 marks

(2) In case the details of foreign human resources having qualifications for operation of the concerned recreational aviation activities are submitted:

4 marks

(3) In case it is to be operated upon providing training to the human resources:

1 mark

Classification of Competency	Human resources required	Qualification/Rating	Number	Method of fulfilment of vacancy	Domestic	Foreign
Operation of flight						
Ground support/maintenance						
Communication/contact/coordination						
Total						

(c) Equipment plan:

2 marks

(1) Of the purchase of aircraft with a manufacturing age less than 5 years:

2 marks

(2) Of the purchase of aircraft with a manufacturing age between 5 to 15 years:

1 mark

Equipment, type and description	Seat capacity	Manufacturing company and date	Remarks

(d) Ownership and method of procurement: 2 marks

(4) If an organization makes full purchase at the beginning: 2 marks

(5) Purchase in installments: 1.5 marks

(6) Lease (Rent): 1 mark

Description of equipment	Full purchase	Purchase in installments	Lease purchase (Rent)	In case an agreement is concluded	Remarks

4. Institutional plan and capacity: 15 marks

(a) In case the institutional structure is found to be suitable

for operation of recreational aviation training service: 3 marks

(b) In case there is clear policy and rule: 3 marks

(1) Clear policy: 1.5 marks

(2) Clear rule: 1.5 marks

(c) Flight operating agency: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy is submitted)

(d) Ground support/ maintenance (Pre- flight arrangement) agency: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy is submitted)

(e) Communication/contact co-ordination agency: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

Schedule-7

(Related to clause (f) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for license of operation of agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts

1. Commercial aspect: 5 marks

(a) Market analysis: 1.5 marks

(on the ground of current air traffic/aircraft/ condition of air service agency)
(of the last five years)

Current air traffic

Zone						Remarks
Tribhuvan International Airport (Towards domestic)	Movement					
	Passenger					
Service operation zone or route 1	Movement					
	Passenger					
Service operation zone or route 2	Movement					
	Passenger					

Service operation zone or route 3	Movement					
	Passenger					
Service operation zone or route 4	Movement					
	Passenger					

Condition of aircrafts in Nepal
(of the last five years)

Details					total	remarks
..... year						
..... year						
..... year						
..... year						
..... year						
Total						

Condition of current air service operating agency
(for the last five years)

Details						Total	Remarks
..... year							
.....year							
.....year							
.....year							
.....year							
Total							

(b) Condition of an agency, based in Nepal and other countries, that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts: 1.5 marks

(of the last five years)

Details						Total	Remarks
...year							
.....year							
.....year							
.....year							
.....year							
Total							

(c) Business plan:

2 marks

(In case an analysis is done as to how much act of overhauls including the manufacture, maintenance and testing of aircraft and its spare parts is required for a company to operate well)

Type of manufacture, maintenance of aircraft and its spare parts	Number of manufacture, maintenance per month	Projected number of manufacture, maintenance per year	Remarks
Line maintenance			
Base maintenance			
Component maintenance (workshop)			
Capacity of manufacture of aircraft and its spare parts			
Total			

2. Financial aspect:

15 marks

(a) Paid-up capital:

2.5 marks

(1) Paid-up capital of seventy-five million rupees:

2.5 marks

(2) Paid-up capital of fifty million rupees:

1.5 marks

Year						Remarks
Authorized Capital						
Issued Capital						
Paid-up Capital						
Working Capital						

Note: An official letter for every source must be submitted.

(b) Statement of expenditures:

2.5 marks

Subject	Expenditures			
	First equipment	Second equipment	Third equipment	Remarks
Purchase of necessary equipment				
Other capital expenditures				
Operation expenditures				
Management expenditures				
Maintenance expenditures				
Human resources Development				
Other				
Total				

Note: Detail study and analysis for every expenditure must be submitted.

(c) Analysis of expenditures and income: 4 marks

(1) Expenditures: 2 marks

Type of equipment	Annual expenditures	Remarks

(2) Income: 2 marks

Subject	First year	Second year	Third year	Fourth year	Fifth Year	Remarks
Passengers						
Cargo						

Subject	Year	Year	Year	Year	Year	Remarks
Expenditures						
Income						
Profit/loss						

(d) Statement of liability: 6 marks

(1) In case an assurance of source of funds

to be self-invested by the Nepali Investor is submitted: 6 marks

(2) In case there is bank guarantee or foreign investment: 3 marks

Statement of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

3. Technical aspect: 15 marks

(a) Details of director/promoter/chief managerial office-bearers/ chief technical office-bearers: 6 marks

(1) In case it possesses experience on manufacture or maintenance, repair, overhaul (M.R.O) or air service related technical experience of 10 years or more: 6 marks

(2) In case it possesses experience on manufacture or maintenance, repair, overhaul (M.R.O) or air service related technical experience of 5 years or more and less than 10 years: 3 marks

(3) Other business operation experience: 2 marks

Name:

Address:

Qualification/experience

Rating certificate:

Mandate:

Note: Personal details of the concerned office-bearers must be submitted.

(b) Technical expert: 5 marks

Qualification:

(1) In case it possesses qualification on airlines of the concerned human resources of 10 years or more: 3 marks

(2) In case it possesses qualification on airlines of the concerned human resources of 5 years or more and less than 10 years: 2 marks

(Previous experience and rating/license must be submitted)

Methods for fulfilment of the vacancy:

(1) In case there are permanent staff: 2 marks

(2) In case there are staff in contract: 1 mark

Classification of Competency	Human resources required	Qualification/ Rating	Number	Method of fulfilment of vacancy (permanent or in contract)	Domestic	Foreign
Maintenance manager						
Quality manager						
Line/Base/ Component workshop manager						
Other						
Total						

(c) Plan of manufacture/repair and maintenance (line/base/component): 2 marks

(2 marks if a company presents comprehensive plan with time line)

(d) Plan of hanger/production facility for manufacture/line/base/component maintenance: 2 marks

(1) In case an agency is to set up its hanger/production facility: 2 marks

(2) In case an evidence of an agreement concluded with air service operating agency is submitted by the agency: 1 mark

4. Institutional plan and capacity: 15 marks

(a) In case an institutional structure is found to be suitable for operation of air service agency performing manufacture, maintenance and repair of aircraft and its associate spare parts: 3 marks

(1) Experience on manufacture /approved maintenance organization

(A.M.O)/maintenance, repair, overhaul (M.R.O) operation: 3 marks

(2) Experience on air service operation: 2 marks

(b) In case there is clear policy and rule 3 marks

(1) For clear policy: 1.5 marks

(2) For clear rule: 1.5 marks

(c) Qualification, experience and accountability of accountable manager, maintenance manager, quality manager, line/base manager, component workshop manager: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(d) Qualification, experience and accountability of certifying staff: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

- (e) In case facility plan (layout and other details) of manufacture /approved maintenance organization (A.M.O)/maintenance, repair, overhaul (M.R.O) is produced: 3 marks

(3 marks in case details of facility: workshop, management office, library, security of records, equipment, tools, material, technical records is produced)

Schedule-8

(Related to clause (g) of sub-rule (2) of Rule 8)

Evaluation criteria and weightage for license of operation of training organization on repair and maintenance of aircraft and its spare parts

1. Commercial aspect:

5 marks

(a) Market analysis:

1.5 marks

(on the ground of current situation of air traffic/aircraft/air service agency)

(for the period of last 5 years)

Current air traffic

Zone							Remarks
Tribhuvan International Airport (Towards domestic)	Movement						
	Passenger						
Service operation zone or route 1	Movement						
	Passenger						
Service operation zone or route 2	Movement						
	Passenger						
Service operation zone or route 3	Movement						
	Passenger						
Service operation zone or route 4	Movement						
	Passenger						

Condition of current aircrafts in Nepal
(for the last five years)

Details						Total	Remarks
..... year							
.....year							
.....year							
.....year							
.....year							
Total							

Situation of the current air service operation agency
(Of the last five years)

Details						Total	Remarks
..... year							
.....year							
.....year							
.....year							
.....year							
Total							

(b) Situation of repair and maintenance training organization based in
Nepal and other country: 1.5 marks

(of the last five years)

Details						Total	Remarks
..... year							

.....year							
.....year							
.....year							
.....year							
Total							

(c) Business plan:

2 marks

(In case an analysis is done as to how many trainees are required for properly operating the company)

Type of training	Maximum number of trainees per class	Trainees: Instructors per class	Number of projected trainees per year	Remarks
Basic				
Type rating				
Total				

2. Financial aspect:

15 marks

(a) Capital structure:

2.5 marks

(1) Of the paid-up capital of thirty million rupees:

2.5 marks

(2) Of the paid-up capital of twenty million rupees:

1.5 mark

Year						Remarks
------	--	--	--	--	--	---------

Authorized Capital						
Issued Capital						
Paid-up Capital						
Working Capital						

Note: An official letter for each source must be submitted.

(b) Statement of expenditures:

2.5 marks

Subject	Expenditures			
	First equipment	Second equipment	Third equipment	Remarks
Purchase of aircraft				
Other capital expenditures				
Operation expenditures				
Management expenditures				
Maintenance expenditures				
Human resources				

Development				
Other				
Total				

Note: Detail study and analysis for every expenditure must be submitted.

(c) Analysis of expenditures and income:

4 marks

(1) Expenditure:

2 marks

Type of equipment	Expenditures per year	Remarks

(2) Income:

2 marks

Subject	First year	Second year	Third year	Fourth year	Fifth Year	Remarks
Passengers						
Cargo						

Subject	Year	Year	Year	Year	Year	Remarks
Expenditures						

Income						
Profit/loss						

(d) Statement of liability:

6 marks

(1) In case an assurance of source of funds

to be self-invested by the Nepali investor is submitted: 6 marks

(2) In case there is bank guarantee or foreign investment: 3 marks

Statement of liability	Portion in percentage	Cash	Remarks
Nepali party			
Foreign party			
Total			

3. Technical aspect:

15 marks

(a) Details of director/promoter/chief managerial office-bearer/ chief technical office-bearer:

6 marks

(1) In case it possesses technical experience on operation of air service of 10 years or more:

6 marks

(2) In case it possesses technical experience on operation of air service of 5 years or more and less than 10 years:

3 marks

(3) Other business operation experience:

2 marks

Name:

Address:

Qualification/experience:

Rating Certificate:

Mandate:

Note: Personal details of the concerned office-bearer must be submitted.

(b) Expert technician: 3 marks

(1) In case the concerned human resources possess experience on air service of 10 years or more: 3 marks

(2) In case the concerned human resources possess experience on air service of 5 years or more and less than 10 years: 2 marks

Classification of Competency	Required human resources	Qualification/ rating	Number	Method of fulfilment of vacancy	Domestic	Foreign
Training manager						
Quality manger						
Instructors						
Other						
Total						

(Previous experience and rating/license must be submitted)

(c) Training plan with module: 3 marks

(3 marks in case a company presents comprehensive training plan and curriculum along with time line)

- (d) Practical training/on the job training plan: 1.5 marks
- (1) In case a company is to set up its workshop: 1.5 marks
- (2) In case an evidence of an agreement concluded with air service operating agency is submitted: 1 mark
- (e) Equipment plan for practical training/ on the job training: 1.5 marks
- (1) In case an organization provides training along using live aircraft
(In case an evidence of an agreement concluded with air service operating agency is submitted): 1.5 marks
- (2) In case an organization provides training using mock aircraft: 1 mark
4. Institutional plan and capacity: 15 marks
- (a) In case an institutional structure is found to be suitable for operation of maintenance training organization (M.T.O): 3 marks
- (b) In case there is clear policy and rule: 3 marks
- (1) For clear policy: 1.5 marks
- (2) For clear rule: 1.5 marks
- (c) Qualification, experience and accountability of accountable manager, training manager, quality manager: 3 marks
- (3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)
- (d) Qualification, experience and accountability of key persons among the instructors: 3 marks

(3 marks in case descriptive breakdown of qualification, experience, responsibility, functions, duties and powers of the key persons along with the method of fulfilment of vacancy are submitted)

(e) In case facility plan (layout and other details) of maintenance training organization (M.T.O) is produced: 3 marks

(In case details of facility: facilities of classroom, exam hall, workshop, management office, library, security of question papers and answer-sheets, practical training are produced-3 marks)

Schedule-9

(Related to sub-rule (1) of Rule 11)

Format of license

The Government of Nepal
Ministry of Culture, Tourism and Civil Aviation,
Singha Durbar, Kathmandu

License issued to operate

Ref. No.

To.....

.....

As per the decision dated....., this license is hereby issued to operate the following type of..... Air Service/..... training organization/agency that performs overhauls including the manufacture, maintenance and testing of aircraft and its spare parts/recreational aviation agency subject to the following terms and conditions.

1. Of the licensed agency,-

(a) Name and address:

(b) License number:

(c) Term of license:

2. Type of operating agency:

3. Type and number of aircraft (in the case of air service operating agency):

4. Method of obtaining aircraft (in the case of air service operating agency):

5. Flying zone and seat capacity/number of flights (in the case of air service operating agency):

Country	Route zone	Seat capacity	Number of flights

6. Main zone of operation:

7. Conditions to be complied with by the licensed agency:

- (a) To operate flights in the designated flying zone of..... by establishing base in district using unit of equipment,
- (b) To fully comply with the provisions of the prevailing immigration and labour laws of Nepal when employing foreign instructors, pilots or other human resources,
- (c) To submit details of the work progress annually to the civil aviation division of the Ministry after issuance of the license,
- (d) To fully comply with the prevailing laws for insurance, search and rescue flight operation, repair and maintenance, communication arrangements,
- (e) To fully comply with the Civil Aviation Act, 2015 (1959) and the Regulations framed thereunder, the Nepal Civil Aviation Authority Act,

2053 (1996) and the Regulations and Manuals framed thereunder and the directives issued by the Ministry from time to time.

Nepal Law Commission

Of the officer certifying license,-

Signature:

Seal of the Ministry

Name:

Designation:

Date:

Particulars on renewal of license

Date of renewal	Validity period of renewed license	Signature of the renewing officer	Remarks

Note:

(1) The following fees shall be charged for license:-

(a) For international air service operating agency:-

- (1) Seven million and five hundred thousand rupees for operation of scheduled flight of fixed-winged aircraft,
- (2) Two million rupees for operation of cargo (freighter) flight of fixed-winged aircraft,
- (3) Two million rupees for operation of charter flight of fixed-winged aircraft or helicopter.

(b) For operation of domestic air service operating agency,-

- (1) One million rupees for operation of fixed-winged aircraft,
- (2) Seven hundred and fifty thousand rupees for operation of helicopter.

- (c) Five hundred thousand rupees for operation of an agency performing overhauls including manufacture, maintenance and testing of aircraft and its spare parts,
 - (d) Five hundred thousand rupees for operation of flying school,
 - (e) One hundred thousand rupees for operation of the Approved Training Organization,
 - (f) Fifty thousand rupees for operation of other organizations providing civil aviation related training,
 - (g) Fifty thousand rupees for operation of the training organization on repair and maintenance of aircraft and its spare parts,
 - (h) One hundred thousand rupees for operation of recreational aviation agency or recreational aviation training organization.
- (2) In the case of license of commercial air service operation agency, the following route fee shall be charged in addition to the fees as referred to in serial number 1:-
- (a) In case of international air service operating agency,-
 - (1) Five hundred thousand rupees for each flying zone to operate the scheduled flight of fixed-winged aircraft,
 - (2) One hundred fifty thousand rupees for each flying zone to operate cargo (freighter) flight of fixed-winged aircraft,
 - (3) A lump sum one million and five hundred thousand rupees for operation of charter flight of fixed-winged aircraft or helicopter.
 - (b) For domestic air service operating agency,-
 - (1) Fifty thousand rupees for each flying zone to operate the fixed-winged aircraft,

(2) A lump sum five hundred thousand rupees to operate helicopter.

(3) The following fees shall be charged for renewal of license:-

- (a) Half of the fee prescribed in serial number 1,
- (b) For a commercial air service operating agency, half of the fee prescribed in serial number 2 in addition to the amount as referred to in clause (a).

(4) In the case of an agency related to civil aviation that had obtained a license at the commencement of the Air Service Management Regulation, 2082 (2025), but did not renew the license within its validity, the following fees in addition to the fee prescribed in serial number 3 shall be charged for renewing the license pursuant to sub-rule (2) of Rule 13:-

- (a) Twenty five percent of the fee prescribed in serial number 3 for the first three months,
- (b) Fifty percent of the fee prescribed in serial number 3 from three months to six months,
- (c) Seventy five percent of the fee prescribed in serial number 3 from six months to nine months,
- (d) Hundred percent of the fee prescribed in serial number 3 from nine months to one year.