



CAACI BULLETIN 03-10

**OTAR PART 125 FLIGHT OPERATIONS APPROVALS
FOR
COMPLEX GENERAL AVIATION INCLUDING CORPORATE OPERATIONS**

References:

1. The Air Navigation (Overseas Territories) Order 2007 [AN(OT)O], as amended – Part IX, Articles 83, 84 and 85.
2. The Overseas Territories Aviation Requirements (OTARs) Part 125, Subpart A.

Requirement:

All Operators of aircraft registered in the Cayman Islands for the purpose of General Aviation, to which articles 83 and 84 apply, must have an Approval granted in accordance with Article 85 of the AN(OT)O.

Applicability:

All General Aviation aircraft that include any of the following:

- Any aeroplane over 5700kgs MTOW.
- Any aeroplane with one or more turbojet engines.
- Any aeroplane approved for more than 9 passenger seats.
- Any helicopter over 3180kgs MTOW.
- Any helicopter approved for more than 5 passenger seats.
- Any aircraft operation involving the use of 3 or more aircraft.
- Any other General Aviation operation specified by the Governor to be in the public interest.

Background

The Overseas Territories Aviation Requirements (OTARs) are published on behalf of the Governors of the Overseas Territories (OTs) in support of the Governors' powers contained in the Air Navigation (Overseas Territories) Order - the AN(OT)O.

OTARs provide details of means of compliance with the AN(OT)O which are acceptable to the Governors and the Government of the United Kingdom. They describe the way in which aircraft operators, aviation personnel and providers of services can gain approvals and licences, and the process through which these are maintained to ensure adequate levels of safety and that internationally-agreed upon standards are met.

The International Civil Aviation Organization (ICAO) has recently mandated new requirements in Annex 6, Part II for non-commercial operations of turbo-jet airplanes, large airplanes and corporate operators. Included in the new ICAO Standards are requirements for operators to have Safety Management Systems and Company Operations Manuals.

OTAR Part 125 was developed to ensure that internationally recognized safety standards are complied with for complex general aviation including corporate operations. Compliance with OTAR 125 will ensure compliance with the ICAO Standards for non-commercial operations by turbo-jets, large aircraft and corporate operations.

Means of Compliance With OTAR 125:

There are two methods, both detailed in OTAR Part 125.21, namely:

- Obtain and retain an IS-BAO Certification of Registration granted by the International Business Aviation Council (IBAC) in accordance with OTAR Part 125.21(b) and
- submit reports of audits carried out in accordance with IS-BAO procedures at intervals of not greater than 12 months, or at such intervals as the Governor may require, or

2. By:

- Submitting for approval by the Governor, details of a Safety Management System (SMS) for the aircraft operation that complies with the requirements of OTAR Part 125.41;
- Submitting their Operations Manual for approval by the Governor; and
- Submitting reports of audits carried out at intervals of not greater than 12 months, or at such intervals as the Governor may require.

Note: The SMS and Operations Manuals may be developed by the Operator/Owner, or by a company/individual that provides this service.

International Standards for Business Aircraft Operations (IS-BAO)

The International Business Aviation Council (IBAC) recognized the need for the business aviation community to take a lead role in fostering harmonization of operating procedures and requirements. IBAC works closely with ICAO towards international standardization. The President of the ICAO Council has endorsed the efforts of the business aviation community in developing an industry 'code of best practice'. IS-BAO incorporates the International Standards and Recommended Practices for the Operation of Aircraft applicable to business aviation prescribed in ICAO Annex 6, Part II for International General Aviation – Aeroplanes.

IS-BAO is a code of best practice. It has been developed by the industry for the benefit of the industry. It is the industry's contribution to promoting highly professional operational practices. IS-BAO is intended to build upon the excellent safety record already established by business aviation.

The IBAC has produced detailed guidance material and tools to assist operators in developing Operations Manuals and Safety Management Systems which are required to obtain IS-BAO registration. The process has been in place since 2002 and has undergone continuous improvement during this period. Today there are over 200 companies that have met the requirements and are IS-BAO registered. The high standards established by the IBAC have resulted in IS-BAO being recognized as a means of compliance for OTAR 125 approvals.

Operators that choose the IS-BAO method for obtaining OTAR Part 125 approval are asked to submit a certified copy of their IS-BAO Certificate of Registration (available from IBAC) and a copy of their IS-BAO audit report along with the CAACI application form which is available on the CAACI website.

Operators must ensure that if they are going to pursue IS-BAO registration that they obtain the current IS-BAO program material. When selecting an IS-BAO auditor Operators may want to consider the auditor's cost, geographic location, OTAR experience and familiarity with the operating environment. Operators must also be aware that even though they are IS-BAO registered, they are still required to meet all OTAR requirements applicable to their operation.

Please see the IBAC website: <http://www.ibac.org/isbao.php> for more information on:

- purchasing IS-BAO manuals,

- information on IS-BAO workshops,

- a list of auditors,
- implementation support providers, and
- a list of ISBAO registered companies.

Compliance Date:

The date set by the Civil Aviation Authority of the Cayman Islands (CAACI) for achieving compliance with OTAR 125 is 1 January 2011. Operators are encouraged to obtain approval for their operations prior to this date. The CAACI recognizes that it may not be possible for all operators to meet all the compliance requirements by this date and has given consideration to this eventuality. Those operators that commit to the IS-BAO registration method prior to 1 January 2011 will be granted an exemption to allow them to continue operations while they complete the IS-BAO registration process. In order to obtain an exemption an implementation plan must be submitted to the CAACI showing milestones for the operator's progress with the IS-BAO registration process. Failure to obtain IS-BAO registration in the exemption time frame will result in suspension of the aircraft's operational certificates.

Operators that choose the non-IS-BAO method may submit their application and manuals directly to the CAACI. They will be required to be fully approved by the CAACI for OTAR 125 operations prior to 1 January 2011.

The Operator:

Owners of aircraft on, or about to be placed on, the Cayman Islands Aircraft Register are advised to clearly establish who the Operator of their aircraft is. Several aircraft management companies will not accept the responsibility of being the Operator and in those circumstances it becomes the owner's responsibility to achieve the required standard for OTAR 125 approval. It may be useful to consider whether a management company has achieved or is willing to achieve the required OTAR Part 125 standard before entering into a contract. Further clarification on the definition of an Operator can be found in Article 156 (5) of the AN(OT)O and OTAC – "Commercial Air Transport & Private Operations", paragraph 6 (available at www.airsafety.aero).

Time Required to Obtain Approval

Depending on the effort put into the project, the time-scale can vary between 3 months and one year. If timing is of the essence, the IS-BAO Certification would probably take less time than the Operator would by taking on the task of achieving Part 125 approval themselves.

Costs

Exact costs are difficult to determine especially with regard to IS-BAO registration as that is subject to contracts that are negotiated between the Operator and any external contractors that may be utilized. The CAACI will not have to review any manuals that have been found acceptable by the IS-BAO process.

If an Operator wishes to utilize the non-IS-BAO method to gain Part 125 approval then they must submit a Company Operations Manual and details of their SMS to the CAACI for review. All manuals submitted to the CAACI will be reviewed at a rate of approximately \$1500 per day. A review for compliance may take up to 10 working days per manual to complete. Reviews of any corrections or re-writes to achieve compliance will be charged at the same daily rate.

The successful completion of an audit is required by IS-BAO prior to the operator being considered acceptable for registration. A list of approved auditors that can be used for IS-BAO audits is available on the IBAC website. For operators that choose the non-IS-BAO method the CAACI will conduct the audit once the operator's manuals have been approved. The CAACI will conduct the audit on a cost recovery basis and charge standard audit rates which are \$1000 per day for travel and \$250 per hour for work on site. An audit could take up to four days to complete.

OTAR 125 Approvals are issued to aircraft operators which means those operators that have been approved may be authorized to operate additional Cayman registered aircraft without having to undergo any further certification work.

CAACI Guidance:

For those operators who wish to proceed with IS-BAO Certification, they will be provided with a list of agencies that can assist them in the process. The CAACI will not provide assistance in the composing, structure and content of any manual as those items are detailed within the relevant OTAR Part.

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Further Information

If you require further information please contact the CAACI Director of Air Safety Regulation, David Biehn.

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