

## Air Operator Certificate (AOC)

### Initial Certification

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#### ABBREVIATIONS

AFM	Airplane Flight Manual
AMO	Approved Maintenance Organisation
AN(OT)O	Air Navigation (Overseas Territories) Order
AOC	Air Operator Certificate
ATLA	Air Transport Licensing Authority
CAACI	Civil Aviation Authority of the Cayman Islands
CAMO	Continuing Airworthiness Management Organisation
DASR	Director Air Safety Regulation
DGCA	Director General Civil Aviation
ELT	Emergency Locator Transmitter
ERM	Emergency Response Manual
ICAO	International Civil Aviation Organization
MCM	Maintenance Control Manual
MEL	Minimum Equipment List
MMEL	Master Minimum Equipment List
OM	Operations Manual
OPS	Operations
OPS SPECS	Operations Specifications document
OTAR	Overseas Territories Aviation Requirements
RNP	Required Navigation Performance
RVSM	Reduced Vertical Separation Minimum
SELCAL	Selective Calling
SOP	Standard Operating Procedure

## PURPOSE

This Circular describes the CAACI process of applying for and obtaining an Air Operator Certificate (AOC) to conduct commercial air transport operations. The process may appear to be a complex undertaking, particularly to a “first-time” operator. This guidance material provides basic information applicable to the certification of large and small operators alike.

There are various methods acceptable for the purpose of establishing Operations Manuals. This Guidance Material does not deal with these possible methods but will assist the applicant in completing the “five-phase certification process” with minimal delays and complications. Additional information can be found in the related documentation referenced under Appendix 2.

## CONTENTS

ABBREVIATIONS .....	1
PURPOSE .....	2
CONTENTS .....	2
PHASE I - PRE-APPLICATION .....	4
PHASE II - FORMAL APPLICATION .....	5
PHASE III - DOCUMENT EVALUATION .....	8
PHASE IV - INSPECTION AND DEMONSTRATION .....	9
PHASE V - CERTIFICATION.....	10
COSTS AND TIMESCALE.....	10
APPENDIX 1 AOC INITIAL APPLICATION CHECKLIST .....	11
Pre-Application and Application .....	11
Documents and Manuals Required .....	12
Applications To Be submitted.....	13
Other Requirements .....	13
CAACI Inspections .....	14
Certificates To Be Issued .....	15
APPENDIX 2 Requirements, ICAO Documents, Homepages .....	16

### BACKGROUND

The CAACI recognises the responsibility of Commercial Air Transport Operators to provide air transportation with the highest possible degree of safety in the public interest. The certification process is designed to ensure that prospective AOC holders understand and are capable of fulfilling this duty. When satisfactorily completed, the certification process should ensure that the operator is able to comply with the Air Navigation (Overseas Territories) Order (AN(OT)O), the Overseas Territories Aviation Requirements (OTARs) and the international standards pertaining to the operation of aircraft as published in relevant ANNEXES to the Convention on International Civil Aviation.

There are five phases in the air operator certification process. Each phase is described in sufficient detail to provide a general understanding of the entire certification process.

The five phases are:

- (1) Pre-Application
- (2) Formal Application
- (3) Document Evaluation
- (4) Inspection and Demonstration
- (5) Certification

In some cases, the guidance and suggested sequence of events in this document may not be entirely appropriate. In such situations, the CAACI and the operator should proceed in a manner that considers existing conditions and circumstances.

The operator, however, should not expect to be certificated until the CAACI is assured that the AN(OT)O and the OTARs will be complied with in appropriate and continuing manners.

The five phases are to be seen as steps. In order to continue the certification process, the previous phase shall first be completed. Therefore, continuation of the certification process may not be undertaken if all points, articles and individual tasks in the previous certification phase are not completed.

### **PHASE I - PRE-APPLICATION**

Prior to formal application submission an applicant must request, and attend, a Pre-Application Meeting with the CAACI. The purpose of the pre-application meeting is to discuss the information required on an AOC application and to provide critical certification information to the applicant. It is imperative that the operator's Accountable Manager and proposed post holders attend the pre-application meeting and be prepared to discuss in general terms the plans and specific aspects of the proposed operation. Many problems can be avoided by discussing all aspects of the proposed operation and the specific requirements that must be met to be certificated as an air operator. It is important to establish good working relationships and clear understandings between the CAACI and the operator's representatives. To help promote understanding throughout the certification process, an application information package will be provided when requested, or at the latest, at the pre-application meeting.

The AN(OT)O specifies that an application for an AOC shall be made in a form and manner acceptable to the Authority; and it must contain any information the Authority requires the applicant to submit. It is important to understand the minimum documentation necessary for a formal application to be considered acceptable.

A draft Implementation Schedule of events should be presented at the Pre-Application meeting. This is a key document that lists items, activities, programs, and aircraft and/or facilities that must already be in place or made ready for the CAACI's inspection before certification. It should include dates when the crewmembers will start company indoctrination procedures and/or training. In addition, the schedule of events should include dates when maintenance personnel training will start; maintenance facilities will be ready for the CAACI's inspection, each required manual will be available for evaluation, aircraft will be ready for inspection, terminal facilities will be ready for inspection and demonstration flights are planned to be performed. These estimated dates must be logical in terms of sequence. For example, the estimated date for crewmember basic company procedures indoctrination ground training to begin should be after the date that sections of the pertinent company manuals have been submitted and approved by the CAACI.

A final implementation schedule of events which will replace the draft schedule will be adapted and agreed to later during the formal application phase in relation to realistic time management and available human resources. The final implementation schedule of events is subject to acceptance by the assigned CAACI Inspector and it then becomes the agreed plan for the entire certification process.

Following the Pre-Application Meeting, the CAACI Director Air Safety Regulation (DASR) will assign an Inspector and/or Surveyor who then will lead the project and guide the operator through the entire certification process.

### PHASE II - FORMAL APPLICATION

The operator will submit a Statement of Intent, business plan, documents supporting proof of financial background and sufficient cash flow, plan of intended infrastructure, a presentation of the network and written documentation fulfilling the required legal and due diligence matters. The CAACI will review the application to determine that it contains the required information, documents and attachments. If there are omissions or errors, the formal application and all attachments will be returned with a letter outlining the reasons for their return.

A formal application meeting will be held to introduce the CAACI project manager and delegated Inspectors/Surveyors and to review the client's AOC application package. The meeting will provide an opportunity to discuss the formal application and resolve omissions or deficiencies and answer questions from either party. If the operator has a good understanding of the requirements, the formal application should be of sufficient quality to allow any omissions, deficiencies or open questions to be resolved during the formal application meeting. The Operator's Accountable Manager, Quality Manager, Post Holder and Deputy Post Holder personnel should attend the formal application meeting. This meeting should also be used to reinforce open communications and working relationships. If the formal application meeting is successful, the DASR provides the operator with a letter acknowledging receipt, and indicating CAACI acceptance, of the application package. The CAACI's acceptance of a formal application does not constitute approval or acceptance of individual attachments.

#### Statement of Intent

The following items are to be included in the Statement of Intent:

- a. Official business name
- b. Proposed date for beginning Operations
- c. Copy of Cayman Islands economic authority or permit
- d. Mailing address for official correspondence
- e. Physical address for the Company's principal place of business.
- f. Company telephone and fax numbers.
- g. Company website and the Accountable Manager's email address
- h. Names, phone numbers and email addresses of proposed postholders
- i. Proposed areas of operations in general terms, (e.g., United States, Caribbean, World-wide)
- j. For proposed scheduled operations, identify proposed city pairs
- k. Proposed aircraft type(s)
- l. Proposed initial training information, the method, facilities, contractors etc.
- m. The Maintenance Program you plan to use
- n. Proposed arrangements for Continuing Airworthiness Management, and maintenance

## Cayman Islands Aviation Circular

Applicable attachments should be included with the Statement of Intent to provide evidence that the operator has, or is in the process of actively procuring, aircraft, facilities, and services appropriate to the type of operation proposed. If formal contracts are not completed, letters or other documents showing preliminary agreements or intent will suffice until such date as determined by the Authority.

The following attachments (if applicable) should be included:

- a. Details of Aircraft or Lease Agreements
- b. Station facilities and services
- c. Weather gathering facilities and services
- d. Communications facilities and services
- e. Maintenance facilities and services
- f. Maintenance contractual arrangements
- g. Aeronautical charts and related publications
- h. Aerodrome analysis and obstruction data
- i. Aircraft take-off and landing performance tables related to individual runways.
- j. Contract training and training facilities
- k. Compliance List: indicates the chapters and/or subchapters within the Operations Manual (OM) where the appropriate OTAR compliance is described. The fully completed list of compliance ensures each applicable regulatory requirement has been adequately addressed in the appropriate manuals, programs, and/or procedures. Furthermore, on the OM compliance list, where applicable, formal acceptance and approvals are included.

### Post Holders

OTAR 119.53, 119.55 and Appendix A to OTAR 119 establish basic nominated postholder requirements, and the minimum competency, for air operators proposing to conduct commercial air transportation operations. Individuals assigned to the required postholder positions are expected to have a thorough knowledge of the AN(OT)O, OTARs and international standards. The application must contain resumes of the qualifications, licenses (including license numbers), ratings, and practical aviation experience/education for each of the following nominated postholders:

- a. Accountable Manager
- b. Quality Assurance Manager
- c. Flight Operations Manager
- d. Ground Operations Manager
- e. Crew Training Manager
- f. Continuing Airworthiness and Maintenance Manager

### Operations Manual

These manuals, which can be issued in separate parts to specific users, contain policies, instructions, information and duties and responsibilities for the safe operation and airworthiness of aeroplanes. OTAR Part 121.1250 and OTAR Part 135.1250 details the requirements of the Operations Manual. The entire manual system shall be completely developed at the time of formal application. It is recognised that aircraft acquisition, facility and subcontractor arrangements and certain training and checking program elements may not be fully developed at the time of formal application.

However, the Operations Manual Part D, Training, established in accordance with the decided training concept must be completed to the maximum extent possible. The company initial training and checking curriculum portion of the OM-D must be attached to the formal application letter.

### **PHASE III - DOCUMENT EVALUATION**

After the formal application has been accepted, CAACI Inspectors will begin a detailed evaluation of all submitted manuals, forms and documents. Inspection of the Operations Manual system may, depending on the size of operation, be done on the whole manual or on different parts at different times by different Inspectors or Surveyors.

A Document Compliance Matrix is required to be submitted to guide the CAACI in reviewing the Operations Manual system. The Matrix must list each item of the applicable OTAR (i.e. Part 121 or Part 135) and show which section of the OM covers the respective requirement.

The CAACI will endeavour to complete evaluations in accordance with the agreed schedule of events. If a manual or document is incomplete, deficient, or not compliant with requirements or safe operating practices, the manual or document will be returned for corrective action. If the manuals and documents are satisfactory, the content and the structure will be accepted through a formal letter of approval.

The Document Evaluation Phase is completed with the formal acceptance of the content and structure of the Operations Manual system. The responsibility of all documented and published contents of any company manual or document remains with the nominated Accountable Manager and the accepted Post Holders.



### PHASE IV - INSPECTION AND DEMONSTRATION

Prior to conducting the Inspection and Demonstration Phase, it is expected, that the applicant for an AOC has implemented all the procedures and operating practices as described in the Operations Manual System and all the different fields of the operation have been successfully reviewed under the Quality System.

ICAO Standards require an operator to demonstrate its ability to comply with regulations and safe operating practices before beginning actual revenue operations. These demonstrations include actual performance of activities and/or operations while being observed by CAACI inspectors. This includes on-site evaluations of Operations, Dispatch, Continuing Airworthiness and aircraft maintenance and support facilities.

During these demonstrations and inspections, the CAACI evaluates the effectiveness of the policies, methods, procedures, and instructions as described in the operator's manuals and other documents. Emphasis is placed on the operator's management effectiveness during this phase. Deficiencies will be brought to the attention of the operator and corrective action must be taken before entering the certification phase.

Although the Document Evaluation, the Inspection and Demonstration Phases have been discussed separately in this guidance material, these phases may overlap in the training aspect, or may be accomplished simultaneously in actual practice.

#### *Note*

*An applicant for an Air Operator Certificate (AOC) may concurrently seek CAACI approval of its Continuing Airworthiness Management (OTAR Part 39) and Maintenance Organisations (OTAR Part 145). The applicant needs to co-ordinate the progress of both certification projects. Both certification projects must be in the Inspection and Demonstration Phase at the same time. This is because the demonstration flights require the applicant to demonstrate to the CAACI all proposed flight and ground operations.*

### **PHASE V - CERTIFICATION**

Upon successful completion of the Inspection and Demonstration phase the CAACI will issue the final compliance statement and prepare the Air Operator Certificate (AOC). The operations are then specified, listed and approved within the Operations Specification document (OPS SPECS).

If findings were issued during the Inspection and Demonstration phase, the operator will be required to submit a Corrective Action Plan to address the issues identified by the CAACI. Once corrective actions are completed and the finding(s) acceptably closed, the CAACI will issue the final compliance statement and prepare the Air Operator Certificate (AOC). The operations are then specified, listed and approved within the OPS SPECS.

The Director General (DGCA) then signs the AOC approval document(s). The Certificate Holder is responsible for continued compliance with requirements according to his authorisations, limitations, and specifications. The process for changes, variations or amending of specifications is similar to the certification process. The CAACI is responsible for continued surveillance by conducting periodic inspections and audits of the certificate holder's operation to ensure continued compliance with the requirements, safe operating practices and airworthiness of aeroplanes. Nevertheless, the Operator is responsible to comply with all laws and requirements at all times.

### **COSTS AND TIMESCALE**

A complete certification process is time consuming for the applicant and the authority. The costs and the time schedule vary considerably depending on the complexity of the operation, the quality of required submissions and the resources available within the CAACI. Past experience has shown that the certification process, for most operators, takes approximately three (3) to six (6) months from the start of the Formal Application phase.

## APPENDIX 1 AOC INITIAL APPLICATION CHECKLIST

### Pre-Application and Application

- A. Statement of Intent to consider the following:
  - i) List the official business name.
  - ii) The date that you would like to start flying.
  - iii) Indicate if you have Cayman Islands' economic authority or permit.
  - iv) Mailing address that you want any official correspondence routed to.
  - v) Physical address that the company will use as the principal place of business.
  - vi) Company telephone and fax numbers.
  - vii) Company website or email address of the proposed Accountable Manager.
  - viii) Names and phone numbers of the persons who are proposed to be postholders.
  - ix) Proposed areas of operations in general terms (e.g., United States, Caribbean, World-wide).
  - x) If you are proposing scheduled operations, enter proposed city pairs.
  - xi) Proposed aircraft type for those operations.
  - xii) Proposed initial training information, for the method, facilities, contractors.
  - xiii) The maintenance program you plan to use.
- B. Business Plan
- C. Economic Authority
- D. Business Licence
- E. Air Transport Licencing Authority (ATLA) Approval
- F. Schedule of Events
- G. Client Data Form
- H. Due Diligence documentation (see Due Diligence Checklist)
- I. AOC Application
- J. Accountable Manager/Postholders/ nominations and resumes (obligatory for first issue)
- K. Aerodrome Utilization Rights (Confirmation)
- L. Lease agreement
- M. Passenger Liability Insurance
- N. Operations Manual(s) including OM Compliance List(s)
- O. Initial Safety Training for Cabin Crew Members
- P. Application for Special Authorizations / Approvals

## Documents and Manuals Required

- a) Document Compliance Statement
- b) Flight Operations
  - i) Company Operations Manual
  - ii) Dispatch Manual
  - iii) Cabin Crew Manual
  - iv) Flight Crew Training Program
  - v) Cabin Crew Training Program
  - vi) Route and Airport Guide
  - vii) Flight Crew Training Manual
  - viii) Emergency Response Manual (ERM)
  - ix) Dangerous Goods Manual
  - x) Minimum Equipment List (MEL)
  - xi) Security Program
  - xii) Safety Management System
  - xiii) Aircraft Crash Charts
  - xiv) Pilot licences/validations
  - xv) Details of training record system
  - xvi) Flight and duty time control system
- c) Aircraft
  - i) Aircraft Flight Manual (AFM)
  - ii) Minimum Equipment List (MEL)
  - iii) Master Minimum Equipment List (MMEL)
  - iv) Manufacturers Dispatch Deviation Guide
  - v) SOPs
  - vi) Aircraft Checklists
  - vii) Runway Performance Analysis Manual
  - viii) Fuelling/Loading/Service Manual(s)
  - ix) Ground Handling Manual
  - x) Aircraft De-icing Procedures/Manual
  - xi) Passenger Briefing Cards
- d) Maintenance
  - i) Part 39 Continued Airworthiness Management Organisation
  - ii) Part 145 Approve Maintenance Organisation
  - iii) Maintenance Control Manual (MCM)

### **Applications To Be submitted**

- a. Registration Application
- b. Survey Request
- c. Noise Certificate
- d. Radio Installation Approval
- e. Designated Airspace Approval (RVSM, RNP10, etc)
- f. MEL Application Form
- g. Maintenance Program Approval
- h. Low Visibility Operations
- i. Tech Log Approval
- j. Electronic Flight Bag Application Form

### **Other Requirements**

- a. Request for ICAO-Code
- b. Coding and Registration of ELT
- c. Mode S
- d. ICAO Airline Code
- e. SELCAL

### CAACI Inspections

- a. Ops Training Facilities & Equipment Inspections
- b. Ops Training-in-Progress Inspections (Sim and classroom)
- c. Simulator/Training Device Inspections
- d. Flight Crew Proficiency Checks
- e. Route Checks (pilots)
- f. Designated Flight Examiner Monitors
- g. Cabin Crew In-Flight Competency Checks
- h. Maintenance Training Facility Inspections
- i. Maintenance Training-in-Progress Inspections
- j. Proving flights
- k. Operations Main Base Audit
- l. Operational Control Center/Flight Dispatch
- m. Station facilities (equipment, procedures, personnel, fuelling/defueling, de-icing, technical publications)
- n. Document control (control, analysis and storage of records, flight documents, additional information and data).
- o. Maintenance Main Base & Facility Audit
- p. Quality System
- q. Contractor Maintenance Facility Inspections
- r. Aircraft Inspection
- s. Station Inspections
- t. Complete Demonstration Flights - includes full-scale simulation of revenue operations to demonstrate the ability to operate independently, safely, and in compliance with all applicable OTARS, including diversions and/or landing on route for abnormal and emergency situations.

### **Certificates To Be Issued**

- a. Certificate of Registration
- b. Certificate of Airworthiness
- c. Noise Certificate
- d. Radio Installation Approval
- e. Designated Airspace Approval
- f. MEL Approval
- g. Maintenance Program Approval
- h. Low Visibility Operations
- i. Tech Log Approval
- j. Electronic Flight Bag Approval
- k. AMO Approval
- l. CAMO approval
- m. Air Operator Certificate

## **APPENDIX 2 Requirements, ICAO Documents, Homepages**

### **OTAR Parts**

119 Air Operator Certification

121 Commercial Air Transport Operations – Large Aeroplanes

135 Commercial Air Transport Operations – Helicopters and Small Aeroplanes

### **ICAO Annexes:**

- 1 Personnel Licensing
- 2 Rules of the Air
- 6 Operation of Aircraft
- 8 Airworthiness of Aircraft
- 10 Telecommunications
- 11 Air Traffic Services
- 12 Search and Rescue

### **Other ICAO Documents:**

Circular 253-AN/151 Human Factors Digest No. 12 HF in Aircraft Maintenance and Inspection

Document 4444-RAC/501 Rules of the Air and Air Traffic Service

Document 7030 Regional Supplementary

Document 8168-OPS Aircraft Operations

Document 8335-AN/879 Manual of Procedures for Ops Inspect., Cert. and Continued Surveillance

Document 9284-AN/905 Technical Instructions for the Safe Transport of Dangerous Goods by Air

Document 9365-AN/910 All Weather Operations

Document 9376-AN/914 Preparation of an Operations Manual

Document 9379-AN/916 Man and Proc for Establish. and Mgmt. of a States PEL system

Document 9389-AN/919 Manual of Procedures for an Airworthiness Organisation

Document 9642-AN/941 Continuous Airworthiness Manual

### **Useful Homepages**

CAACI <http://www.caacayman.com> VP-C Online <http://www.vp-conline.com/>

ASSI: <http://www.airsafety.aero/> ICAO <http://www.icao.int/>

NAT PCO <http://www.nat-pco.org/index.htm>